

# Annual Report

JULY 1, 2012–JUNE 30, 2013





**THE INSPECTION PANEL**

*Annual Report*

JULY 1, 2012–JUNE 30, 2013

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Panel team meeting with affected people in Project area, Vishnugad Pipalkoti Hydro Electric Project, India.

# *Letter* OF TRANSMITTAL

The Annual Report of the Inspection Panel for the period July 1, 2012, to June 30, 2013, has been prepared for the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) in accordance with the 1993 Resolution establishing the Panel. It is being circulated to the President and to the Executive Directors of these institutions.

The Panel wishes to thank the Executive Directors for their steadfast support for the Panel. The Panel also thanks Dr. Jim Kim, the President of the World Bank Group, and Senior Management for their continued professional interaction with the Panel as an essential element in ensuring accountability and transparency by the World Bank. The Panel is also grateful for the trust of civil society and for its efforts in promoting accountability and transparency. The Panel expresses special appreciation to Requesters and to Bank staff for their constructive engagement during the course of its work.

# Foreword

BY THE DEAN OF THE BOARD

The late Ibrahim Shihata, one of the main architects of the Inspection Panel, wrote: *"No standing mechanisms independent from the governing organs of such organizations have hitherto existed to hear and investigate complaints by private entities or groups affected by their activities regarding deviation from their established policies and procedures—not, that is, until the World Bank established an independent inspection panel in 1993."*

The World Bank Board of Executive Directors established the Inspection Panel on September 22, 1993, as a citizen-driven accountability mechanism. The World Bank was the first international financial institution to be explicitly accountable to its intended beneficiaries. A new doctrine in international law was established to contest the decisions of an international organization through a clear and independently administered process.

Almost twenty years later, the Inspection Panel continues to work for and complement the Board and Bank Management's decision-making process by providing them with independent opinion about compliance with the Bank's policies and procedures. It offers a checks-and-balances mechanism for the Board. Additionally, this process provides an opportunity for the Bank to learn about problems and mistakes it has made and initiate subsequent remedial action. In essence, the Inspection Panel process can lead to better projects through responsive actions to prevent, mitigate, or compensate for harms; it can also catalyze opportunities for broader institutional reform that would affect future project decisions by drawing on lessons learned from the collaborations among all parties involved.

More generally, the Inspection Panel plays an important role in supporting the Bank's mission of fighting poverty and promoting sustainable and inclusive development. By providing a platform for



the institution and affected people to participate more effectively in the development process, it enables better outcomes for the broader mission of the Bank.

The Inspection Panel is an important element of managing risks that inevitably materialize as a function of Bank operations. A development institution whose mission is to reduce global poverty needs to take risk in a manner that does not lose sight of its policy aspirations. That is, the Panel appreciates the importance of taking appropriate risks that complement innovation and the Bank's development goals.

Indeed, by providing effective access to recourse, the Panel contributes to these efforts by mitigating the risk borne by the most vulnerable parties.

The late Lewis Preston, President of the World Bank Group, said, *"The Inspection Panel is part of the Bank's evolving policy of improving its effectiveness, strengthening accountability, and increasing openness—all of which augment the Bank's capacity to fulfill its goal of helping to improve peoples' living standards throughout the world."*

As our President Dr. Jim Kim is embarking on a new era of "one World Bank Group" with a new vision of growth and shared prosperity for all, the Inspection Panel remains an important independent accountability mechanism. There is much to learn from the work and investigations of the Panel. It will continue to operate and develop as an important accountability mechanism that supports the institution as a whole and the countries and peoples with which it operates.

**Mr. Merza Hasan**

Dean of the Board of Executive Directors  
World Bank Group





Panel team with Sengwer people in Embobut Forest, Natural Resource Management Project, Kenya.

# Message FROM THE PANEL

## Changing to Preserve

In September 1993—twenty years ago—the Executive Board of the World Bank took its landmark decision to establish an independent mechanism to address complaints against projects financed by the Bank. This established a new doctrine for international development institutions: giving the right to citizens and communities to also have recourse, in addition to member state governments. The idea was simple: harm caused by projects may relate to lack of compliance by the Bank with its own policies and standards. The Bank had developed a core body of operational policies—commonly referred to as the Safeguard Policies—with the explicit intent of minimizing, mitigating, or, in the best-case scenario, avoiding adverse impacts on communities and the environment. The Board agreed that the Bank can be held accountable for upholding these policies. The Inspection Panel and the Panel process outlined in the Board Resolution thus became the new mechanism for responding to concerns from affected communities.

The twentieth year of the Panel's operation gives us an opportunity moment to reflect on the past as well as ponder the future. But 2013 is more than an anniversary year for the Panel. It is also a year of change for the Bank. Simultaneously, we are in a time of major changes in the international development architecture compounded by global economic uncertainties, multipolar political forces, and new civil society movements challenging the powers that be in unforeseen ways. The Bank has reaffirmed that its core mandate is to eradicate poverty and share prosperity, while fully acknowledging that there is no quick fix. The road ahead will prove challenging, and the roadmap will have to be continually revisited.

Part of this is finding what works best for people. No doubt, grievances will be many, and being responsive to community concerns is essential to the Bank's mission. Citizen-driven accountability is also part and parcel of the participatory development that the Bank espouses.

The Panel is a small, but certainly not insignificant, part of this development landscape. The underlying idea that led to its creation is as valid today as it was twenty years ago. The right of affected communities to hold the Bank accountable must be preserved, and it must remain easy for people to exercise this fundamental right. At the same time, we are equally convinced that unless we are prepared to adapt the Panel process to the changing context, this right may lose value for complainants as well as for the institution. The effectiveness of the Panel process has to be judged by its outcomes in terms of redress for affected communities and lessons learned for the institution.

To this effect, the Panel has pursued a number of initiatives over the year in review. The systematic consultations that were conducted externally and internally in connection with the *updating of its Operating Procedures* provided the Panel with invaluable insight into areas of our work that need strengthening. Many also argued that the Procedures themselves are legalistic, complicated, inaccessible, and antiquated.

The Panel recognizes the need for *improving the interaction with Management*. While it is in the nature of a Request for Inspection that Bank Management is viewed as part of the problem, Management also has to be part of a solution as well as part of any learning. The Panel has consistently encouraged a proactive

and constructive, rather than a defensive, response from Management. This is reflected in the way the Panel formulates the *Notice of Registration*, which triggers a response by Management. The Panel is also seeking ways to *encourage early problem solving* during the Panel process. We have to realize that a compliance review by the Panel through an investigation is not always the best nor the only means of accountability. This has implied that the Panel has taken steps to strengthen its own *assessment of complaints at the early stages* of the Panel process, including earlier and more substantive consultations with Requesters, to better understand the issues being raised. The update of the Operating Procedures to be concluded in 2013 will reflect these changes. In addition, the Panel will *pilot a new approach* to respond to cases that are limited in scope and less contentious in a simpler way, provided there is interest on the part of all key stakeholders to seek opportunities for early solutions.

The Panel appreciates the strong interest expressed by Board members and many external stakeholders to find more effective ways to distill and disseminate *lessons from Panel cases*. This has been emphasized, in particular, in the context of the ongoing review of the Bank's Safeguard Policies. The Bank wants to become a better learning institution. This means also learning from the cases that people bring to the Panel. We believe that bringing down some of the tension and adversarial nature of the Panel process will create a better learning environment. In October 2012, the Panel together with Management presented lessons from Panel cases to a well-attended Committee on Development Effectiveness (CODE) seminar open to all Board members and their staff. These lessons

also form part of the Panel's initial contribution to the safeguards review.

While we contributed actively, where appropriate, to ongoing change processes of the Bank, including the safeguards review, our core work continues to lie in responding to requests. In the fiscal year 2012–13 we received and registered six new Requests for investigation, and submitted Reports on eight Requests to the Board, in which we recommended two investigations.

Reflecting back over this caseload, we see that infrastructure and natural resources management continue to be significant. This is important, with the Bank positioning itself for more investment in large infrastructure, not least for energy development, and a greater focus on climate change. The Panel this year for the first time received a complaint related to a climate change financing mechanism being administered by the Bank, where the Panel noted the challenge for the Bank in undertaking supervision and implementation support where procedures are defined by external entities.

The Panel itself also experienced some changes. In November 2012, Zeinab Elbakri replaced Roberto Lenton as Panel member, and in May 2013 Eimi Watanabe took over from Alf Jerve as Chair. At the initiative of the Board, the Panel this year started piloting with two full-time members for the purpose of increasing efficiency and effectiveness.

Last, but by no means least, the Panel would like to express its appreciation to all those who have worked with us during the past year—the Executive Directors and their staff, Requesters, Bank Management and staff, and civil society organizations—for the constructive ways in which you engaged with us.

**Eimi Watanabe**

**Alf Jerve**

**Zeinab Elbakri**

June 30, 2013

# THE PANEL *Description*

## Who We Are

The Inspection Panel is an independent complaints mechanism for people and communities who believe that they have been, or are likely to be, adversely affected by a World Bank–funded project. The Board of Executive Directors created the Inspection Panel in 1993 to ensure that people have access to an independent body to express their concerns and seek recourse.

The Panel is an independent and impartial fact-finding body. The Panel's structure and operations further safeguard this independence from the World Bank management and staff. The Panel reports directly to the Board. In addition, Panel members are prohibited from working for the Bank after their terms end. The Inspection Panel process aims to promote accountability at the World Bank, give affected people a greater voice in activities supported by the World Bank that impact their rights and interests, and foster redress when warranted.

## What We Do

In response to complaints from project-affected people, we have a mandate to review projects funded by the World Bank through the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA). The Panel assesses allegations of harm to people or the environment and reviews whether the Bank followed its Operational Policies and Procedures. This often includes issues such as

- Adverse effects on people and livelihoods as a consequence of displacement and resettlement related to infrastructure projects, such as dams, roads, pipelines, mines, and landfills;
- Risks to people and the environment related to dam safety, use of pesticides, and other indirect effects of investments;
- Risks to Indigenous Peoples, their culture, traditions, lands tenure, and development rights;
- Adverse effects on physical cultural heritage, including sacred places; and
- Adverse effects on natural habitats, including protected areas, such as wetlands, forests, and water bodies.

Complaints related to the projects supported by other agencies of the World Bank Group—the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA)—are dealt with by the Office of the Compliance Advisor Ombudsman (CAO).

## Our Structure

The Inspection Panel consists of three members appointed by the Board of Executive Directors for a five-year, nonrenewable term. Members are selected on the basis of their ability to deal thoroughly and fairly with the complaints brought to them, their integrity and independence from Bank Management, and their exposure to developmental issues and living conditions in developing countries. Panel Members select the Chairperson of the Panel from among themselves.

**Current Members.** The members of the Panel are Alf Jerve (member since November 2008), Eimi Watanabe (member since November 2009), and Zeinab El Bakri (member since September 2012). The members are required to select their Chairperson annually. The present Chairperson is Eimi Watanabe. The Panel Chairperson and the most senior non-Chair Panel Member work full-time, while the third Panel member works part-time, as the need arises.

**Former Members.** Former members of the Panel are Richard Bissell (1994–97), Alvaro Umaña (1994–98), Ernst-Günther Bröder (1994–99), Jim MacNeill (1997–2002), Edward Ayensu (1998–2003), Maartje van Putten (1999–2004), Edith Brown Weiss (2002–07), Tongroj Onchan (2003–08), Werner Kiene (2004–09), and Roberto Lenton (2007–12).

The Panel has a permanent Secretariat. It is headed by Executive Secretary Peter Lallas. The office also consists of Deputy Executive Secretary Dilek Barlas; Senior Operations Officers Mishka Zaman, Serge Selwan, and Tatiana Tassoni; Operations Analyst for Communications and Research Dilya Zoirova; Senior Executive Assistant Oriana Bolvaran; and Team Assistant Robert Dickerson. The Secretariat provides operational and administrative support to the Chairperson and Panel members and assists the Panel in processing Requests, conducting investigations, and responding to queries from potential Requesters. The Secretariat also organizes and participates in outreach activities, seminars, and other events; disseminates information about the Panel and its activities; and provides general research and logistical support to the Panel members. For its fact-finding and investigations, the Panel hires independent, internationally recognized experts to ensure objective and professional assessment of the issues under review.



*From left to right. First row: Panel Members: Zeinab Bashir El Bakri, Alf Jerve, and Eimi Watanabe. Second row: Secretariat staff: Dilya Zoirova, Dilek Barlas, Oriana Bolvaran, Serge Selwan, Peter Lallas, Tatiana Tassoni, Robert Dickerson, and Mishka Zaman.*

# Background AND Foundation

The Inspection Panel was established by identical Resolutions of the Boards of Executive Directors of IBRD and IDA in 1993. In response to complaints from Project-affected communities, the Panel is an independent, “bottom-up” accountability and recourse mechanism that investigates IBRD/IDA-financed projects to determine whether the Bank has complied with its operational policies and procedures (including social and environmental safeguards), and to assess related issues of harm.

The 1993 Resolution establishing the Inspection Panel and the subsequent 1996 and 1999 Clarifications to the Resolution can be found on the Panel’s website at [www.inspectionpanel.org](http://www.inspectionpanel.org).

## MISSION, ROLES, RESPONSIBILITY, AND AREAS OF FOCUS

The Panel serves as an independent forum to provide accountability and recourse for communities affected by IBRD/IDA-financed projects, and to address harms resulting from policy non-compliance. The availability of the Panel promotes more inclusive and sustainable development by giving Project-affected people, including those who are often poor and most vulnerable, greater voice in Bank-financed projects that affect them.

### Roles, Responsibility, and Areas of Focus

*Independent fact-finding, accountability, and recourse.* In response to complaints from Project-affected communities, the Panel independently investigates whether Bank Management has complied with its operational policies and procedures in projects financed by IBRD/IDA, and whether harm has resulted from non-compliance.

*Problem solving for affected people.* In addition to the Panel’s role in assessing compliance, the Panel process as a whole plays a critical role in helping to resolve problems facing Project-affected people. Problem solving may occur at various stages: preregistration (affected people must approach Management first); eligibility; investigation; and follow-up. The Panel process places responsibility and creates opportunities for Management to take effective responsive actions to address problems.

*Check and balance for the Board.* The Panel provides an independent, technically based check and balance for the Board on situation(s) relating to compliance and harm in project operations.

*Transparency and participation.* The Panel promotes transparency in Bank operations through publication of reports and findings, and by serving as the independent venue for affected people to raise concerns to the highest decision-making levels of the Bank.

## KEY OUTPUTS, PRACTICES, AND ENGAGEMENT WITH INTERNAL AND EXTERNAL STAKEHOLDERS

### Key Panel Outputs and Practices

*Report and Recommendation/Eligibility Reports.* The Panel assesses the eligibility of the Request and provides a recommendation on whether to investigate the matters alleged in the Request. The “eligibility” stage includes an initial Management Response to the Request and yields opportunities for early problem solving.

*Investigation Reports.* It includes the Panel’s independent investigation and fact-finding on Project-level policy compliance and related harm. Findings are reported directly to the Board.

*Bank Management Response and Action Plan.* In response to Panel findings on compliance and harm, Bank Management prepares a Response, which includes actions to address findings. Panel and Management Reports are made available to Requesters, affected people, and the public.

*Systemic observations and corporate learning.* Investigation Reports and Management Responses include observations and lessons learned, which promote corporate learning and transparency through their publication.

*Public awareness.* The Panel produces publications to inform the public of its activities and for outreach (Annual Report, press releases, etc.).

*Institutionwide incentives and impacts.* The availability of the Panel creates incentives for the institution to comply with Policies and Procedures, including social and environmental safeguards; supports overall Bank mission to fight poverty; and helps the Bank avoid actions causing reputational risk.

The Panel engages with the following internal and external stakeholders:

*The Board of Executive Directors*

*Management*

*Requesters*

*Authorities of borrowing countries*

# THE PANEL *News AND Developments*

## **New Member of the Inspection Panel:**

### **Zeinab Bashir El Bakri**

Zeinab Bashir El Bakri was appointed as a new Member of the Inspection Panel on September 1, 2012. She replaced Mr. Roberto Lenton, whose five-year term expired on August 31, 2012. Ms. El Bakri was selected to this position through an international competitive recruitment process. A short biography of Ms. El Bakri is available on p. 69

## **Eimi Watanabe Chairs the World Bank Inspection Panel**

The Inspection Panel is pleased to announce that Eimi Watanabe is the new Chairperson of the Inspection Panel, effective May 1, 2013, for one year. Ms. Watanabe replaces Alf Jerve, whose term as Chairperson of the Inspection Panel ended on April 30, 2013. Mr. Jerve continues as a full-time Panel Member until October 31, 2013, when his five-year appointment ends. A short biography of Ms. Watanabe is available on p. 68



Zeinab Bashir El Bakri



Eimi Watanabe



Alf Jerve

## **Selection of a New Panel Member to Join on November 1, 2013**

As this Annual Report goes to press, a Selection Committee headed by the Chair of CODE is in the process of identifying and selecting candidates for the third Panel Member post, to be finalized by the WBG President. The new Member will replace Alf Jerve as of November 1, 2013.

Alf Jerve has made major contributions to the Panel, not only as the Chairperson (February 2012 to April 2013) but also throughout his five-year term. He has introduced greater development perspective, as well as rigor and logic, in the way the Panel analyzes and presents its findings and reports. Most important, his consistent emphasis that the Inspection Panel was designed as a grievance redress mechanism has influenced the conduct of Panel's work and directed the updating of the Operating Procedures (see "Review of Panel Operating Procedures").

## **Test Model Piloted for the Most Senior Non-Chair Panel Member to Serve Full-Time**

Inspection Panel Member Eimi Watanabe joined the Panel office in Washington, DC, on a full-time basis on February 1, 2013, under a nine-month pilot to test a model of two Panel Members working full-time. Previously, only the Chairperson of the Inspection Panel served full-time while two other Panel Members were engaged based on operational needs. The pilot has been developed in consultation with the Committee on Development Effectiveness of the Board of Directors.

The intent of the pilot is to enhance the efficiency and effectiveness of the Panel's work through more frequent and effective interactions with all stakeholders, increased due diligence at the early stages of the Panel process, and reduced time for investigations. After the trial period, the Panel will evaluate the pilot and make further recommendations.



## Review of Panel Operating Procedures

The Inspection Panel is reviewing and updating its Operating Procedures, which specify the Panel's operations and practice within the ambit of its mandate. An important goal of the review is to make the procedures clearer and more user-friendly. The new procedures will help foster a Panel process that is focused on results, namely redress to affected communities when warranted and lessons for the institution on application of policy.

As a part of the initial review, the Panel conducted targeted consultations with Bank staff and Board members, and with various external stakeholders, such as former Requesters, civil society organizations, representatives of other Independent Accountability Mechanisms, members of the academic community, former Panel members, and technical experts who have worked on Panel investigations.

The objective of this initial consultation process was to identify areas where the Panel has the opportunity to enhance the effectiveness and efficiency of its operations in the years to come, within its existing mandate. The new procedures will do the following:

- Specify what the Panel looks at to determine whether to register a Request and receive a formal response from Bank Management.
- Specify what factors the Panel will assess prior to making its recommendation to the Board on whether an investigation is warranted.
- Note the scope for solution-seeking by Bank Management built into the Panel process.
- Describe how the Panel process fosters interaction among its different stakeholders.
- Describe ways in which outputs from the Panel process contribute to institutional learning.
- Outline measures that reduce the time the process may take.

Currently, the Panel is engaged in a process of sharing the draft Operating Procedures for further inputs from Management and CODE members before commencing a period of additional external consultations through posting the document on the Web for 60 days.



## PANEL CASES *Lessons* OF INSTITUTIONAL SIGNIFICANCE

The Inspection Panel's findings provide valuable insight into the application of Bank policy in pursuit of positive development outcomes. The Panel works at the intersection of the rights of affected communities and the broader development objectives of the Bank, offering it a unique perspective on the management of environmental and social risk within the complex environments in which the Bank operates. The Panel hopes that its work will continue to contribute to institutional learning at the World Bank and further the Bank's efforts to fight poverty and promote shared prosperity.

The Inspection Panel has taken additional steps in recent years to highlight lessons from its cases and work. In some of its investigation reports, for example, the Panel has included observations on systemic factors behind its findings on issues of compliance and harm. In this past year, it has made further efforts to disseminate lessons learned within and outside the Bank. In October 2013, an informal meeting of the World Bank Executive Board's CODE on Insights from Inspection Panel Investigations on Systemic Issues was held, with the active participation of Management, Executive Directors, and Advisors, following presentations by the Panel and Management. During the same month, the Panel gave presentations at the Civil Society Policy Forum under the World Bank/International Monetary Fund (IMF) Annual Meetings (see also "Awareness-Raising and Outreach Activities.")

It is important to note that, just as the interactive Panel process can deliver grievance redress through its various stages and not just as a result of an investigation, corporate learning can also result from these earlier stages and, in particular, from the Panel's Report and Recommendation. While the Panel does not make definitive findings of harm and non-compliance at this stage, the Panel's Observations often suggest potential issues that may require Management's attention. Thus, the Panel process attempts to deliver results not only through investigation but also throughout its process of interaction with the Requesters, Management, and the Board of Executive Directors.

In addition, while the Panel does not play a formal advisory role in formulating Bank policy, on some past occasions it has weighed in on accountability issues relevant to policy development, including in the context of developing the Country Systems Policy and the Program-for-Results financing instrument. In this past year, the Panel has contributed to the ongoing internal review of the Bank's Safeguard

Policies. As the safeguard review process was set in motion, a number of internal and external stakeholders, including members of CODE, expressed interest in having the Panel contribute based on its experience from past investigations. On May 5, 2013, the Panel submitted a written statement to the safeguard review and update process to convey relevant lessons learned (for more details see statement here).

The World Bank's leadership is currently focusing on facilitating corporate learning across Bank institutions, and the Inspection Panel is active in contributing to these efforts. The Panel is uniquely situated to offer insight into how accountability mechanisms can contribute to the Bank's mission and to help manage corresponding risks, especially to vulnerable communities and the environment. The following include observations on general themes of accountability in Bank operations, as well as with respect to specific policy themes, namely determination of a project's area of influence, consultation with affected communities, managing adverse impacts of land management projects, and the Bank's role in project supervision.

### General Lessons on Accountability

The Panel's work is a testament to the importance of the Bank's Safeguard Policies in both protecting the rights of people and the environment and improving development outcomes. Throughout its nearly 20 years of work, the Panel has seen that Safeguard Policies provide an anchor for these results, with multiple benefits—especially for people who may be poor and vulnerable—that help make the World Bank the institution it aspires to be.

The Panel's experience illustrates the significance of safeguards that both substantively and procedurally confirm key principles underpinning Bank operations. In line with the commitment of no dilution of established standards, it is therefore important to *identify and acknowledge key principles in the current policy framework* that are critical in recognizing, avoiding, and addressing social and environmental harms; managing risks; and protecting peoples' legitimate rights and hopes in the context of development work.

Secondly, the Panel's experience shows the *need for clarity of requirements*, both for Project-affected communities as well as for

Bank staff. This is a key ingredient for effective policies and accountability. To ensure that rights of accountability and recourse remain fully available to affected people, core requirements and principles must appear in policy text and not in secondary guidance documents. While the latter are important, they have less weight and visibility than the former.

Thirdly, the Panel notes the significance of active citizen participation and voice in development processes supported by the Bank. Panel cases demonstrate that *people's rights and access to information, to meaningful consultation, and to recourse*, as enshrined in Bank policies, are fundamental building blocks of accountability.

Finally, the Panel recognizes that risk-taking is an essential part of development work, and that the Bank needs the latitude to take the risks that come with innovation and high potential reward opportunities. Effective Safeguard Policies provide means to identify and manage risks, and *citizen-driven accountability helps to enable risk-taking* by providing a safety net for affected people in the event that risks materialize and result in negative impacts.

## Project Area of Influence

The Panel has encountered several cases where the delineation of a project's area of influence, required under Bank Policy on Environmental Assessment, was inadequate. The Panel has found the definition of the project's area of influence restrictive and narrow, with a resulting inadequate assessment of environmental and social risks, and hence inadequate identification of ways to prevent, minimize, mitigate, or compensate for adverse impacts. The Panel has noted that determination of a project's area of influence must "follow" impacts in the short-, medium- and long-term, and not be guided by a limited geographical understanding of "physical footprint."

Recent investigations have observed a number of important project impacts that have not been included in the delineation of the area of influence. These include impacts in regions beyond the area acquired for a project, such as buffer zones, and secondary impacts, such as changes in traffic flow and risks of flooding caused by road embankments. Bank teams do not always fully

take into account the impacts of associated facilities. This was addressed in the Panel investigation of the South Africa Eskom Project. The effects of induced activities "upstream" or "downstream" of the Bank-financed component were addressed in the investigation of the West Africa Gas Pipeline project. Finally, the cumulative impacts of investments are not always fully assessed, as evidenced by the 2006 investigation of the Pakistan National Drainage Project.

Increasing the clarity and scope of the definition of "area of influence," both in Bank policy documents and operations, will contribute meaningfully to successful anticipation and mitigation of adverse consequences of Bank-financed projects.

## Consultation

Several Bank policies contain requirements for consultations with stakeholders affected by a Bank-financed project, and the preparation and conduct of consultations are frequently the subjects of complaints received by the Panel. Panel investigations have found, however, that affected communities are sometimes left out of the consultation process. This issue has been particularly critical among indigenous communities, leading to lack of recognition of customary land rights. Consultations also sometimes fail to involve all relevant segments of the local community, such as traditional and informal leaders. Exacerbating these problems has been a lack of documentation on the outcomes of consultations, which is especially important in documenting community support among indigenous groups, as well as inadequate efforts to provide information in local languages.

In the Panel's experience, local consultations are a critical tool to identify and manage the unintended consequences of development projects. Greater institutional emphasis and more robust execution of these consultations, in turn, will not only raise the quality of the Bank's work but also allow it to better manage higher levels of risk. Continued input from the local community can provide a safety net for vulnerable populations and should thus be regarded as a core complement to innovation and risk-taking.



Panel team meeting with Sengwer people in one of the glades in Embobut forest, Natural Resource Management Project, Kenya.

## Land Management

Over recent years, a growing number of complaints related to land use and management projects have revealed policy lacunae surrounding impacts from land management activities. The Bank's Safeguard Policies do not clearly delineate how to address consequences for people's livelihoods from changes in rights and access to land and land-based resources. Notably, Bank Management issued a Guidance Note on Land Use Planning stating that the Involuntary Resettlement Policy does not apply to such projects. Panel investigations indicate that this policy gap has led to problems in the field, including inadequate assessments of social, political, institutional, and legal risks during preparation of projects that deal with land management (e.g., mapping, titling, classifying, zoning, and regulating land use).

Panel investigations point to actions that can be taken to address this issue. Broadly, these reports indicate the importance of paying greater attention to changing social, political, institutional, and legal circumstances in land-related projects. More specifically, the Panel believes that such projects may warrant application of the policies on Involuntary Resettlement and Indigenous Peoples, given the impacts they can have on local communities. Additionally, projects involving Indigenous Peoples merit more careful assessments of the social and legal importance of collective titles for certain groups than has been observed in the field. The longer-term impacts of land titling for tenure security of poor and marginal communities warrant more thorough consideration as well.

## Supervision

Under its supervision policy, the Bank is responsible for ensuring that borrowers comply with their obligations relating to the Bank's Safeguard Policies. While it is the responsibility of the borrower to implement World Bank-funded projects, the Bank remains accountable through its supervisory responsibilities. Many Panel investigations have invoked the supervision policy because harm to communities most often materializes during the project implementation stage.

Panel investigations have found inadequate execution of supervisory responsibilities on the ground. Lack of compliance has been evidenced by inattention to warning signs, lack of follow-up on pre-identified problems, and failure to identify and adequately respond to issues as they emerge.

These failures appear to be exacerbated by a number of organizational challenges that may be addressed to facilitate improved project supervision. Lack of funds for supervision and insufficient safeguards or social specialists among the supervision teams often pose major obstacles. High staff turnover, inadequate coordination between project management and supervision, and heavy work demands on task team leaders negatively affect the quality of supervision as well. The lack of Bank field presence often further complicates efforts to effectively oversee projects on the ground. Addressing these organizational challenges within the context of the Bank's role as a supervisor may enable teams to more effectively uphold Safeguard Policies, and in turn protect the rights and interests of affected communities.



A view of the Alaknanda River in the Vishnugad Pipalkoti Hydro Electric Project, India.



# *Cases*

## WITH INVESTIGATION RECOMMENDED

REQUEST NO. 81

India: Vishnugad Pipalkoti Hydro Electric Project

REQUEST NO. 84

Kenya: Natural Resources Management Project

## INDIA: VISHNUGAD PIPALKOTI HYDRO ELECTRIC PROJECT

REQUEST NO. 81 • IBRD LOAN NO. 8078-IN



### THE REQUEST

In July 23, 2012, the Inspection Panel received a Request for Inspection concerning the Vishnugad Pipalkoti Hydro Electric Project (VPHEP) which is being constructed in Uttarakhand State on the Alaknanda River.

The Request was submitted by residents of Chamoli and Tehri District in Uttarakhand, some of whom have requested confidentiality.

The Requesters stated that they do not want the river to be diverted or controlled in any way. They raised several social, cultural, and environmental concerns regarding the project, and related issues of compliance with Bank policies and procedures. The Requesters believe that the free flow of the Alaknanda River holds immense spiritual and aesthetic value for them, which, in their view, has not been estimated by Project authorities. In addition to raising issues related to religious and cultural concerns, the Request expressed concerns about the impacts of the Project on local water sources and water quality, loss of biodiversity and other environmental harms, impact on livelihoods and health, economic issues, and gender concerns. Requesters also raised concerns about the lack of transparency and consultations and the absence of adequate analytical studies on the issues in question.

### THE PROJECT

The VPHEP is a proposed 444 megawatt run-of-the-river hydro project on the Alaknanda River, which is a tributary of the Ganges River. The Project seeks to increase the supply of electricity to India's national grid through the addition of renewable, low-carbon energy. It also aims to strengthen the institutional capacity of the Tehri Hydro Development Corporation (THDC) with respect to the preparation and implementation of economically, environmentally, and socially

sustainable hydropower projects. VPHEP is an environmental category A project. The Borrower is THDC Limited and the Guarantor is the Government of India.

The major features of the VPHEP are a diversion dam, a 13.4 km headrace tunnel, an underground powerhouse and a 3 km tailrace tunnel that will return the diverted water back to the Alaknanda River.

The Project is under implementation, but major construction activities have not been undertaken as the contract for the main civil works has yet to be awarded. However, some construction activity and resettlement has taken place, and the Project has received its Stage II forest clearance from the Ministry of Environment and Forests, thus clearing the way for the civil works contract award.

### MANAGEMENT RESPONSE

Management submitted its Response to the Request on October 24, 2012. Management stated that the VPHEP is a "relatively moderate risk project from an environmental and social perspective," and that it believed the Bank followed the applicable Guidelines, Policies, and Procedures. According to Management, the Project involves a "low level" of resettlement comprising 265 families, mainly from the acquisition of privately owned land for road access, project office space, switchyard, and quarry areas. Though the reservoir will submerge 21 hectares of land, this will not cause any displacement as the reservoir will be situated in a deep gorge, and no houses, structures, agriculture land, or common infrastructure will be affected.

Management stated that the Request for Inspection is largely about the Requesters' opinion on what they consider to be the real impact and value of large hydropower plant development in India. Management noted that while this is part of the important ongoing national debate in India, it goes beyond the underlying project and its compliance with Bank Policies and Procedures. Management further stated that a primary concern that has emerged in the debate on hydropower development on the Ganga River and its tributaries is the issue of ensuring adequate environmental flows, which in the case of the Project has been raised from 3 cumecs to 15.65 cumecs after a Government-commissioned review proposed a revision. Management also stated that

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### PROJECT INFORMATION

#### Vishnugad Pipalkoti Hydro Electric Project

Region:	South Asia
IBRD Loan:	US\$648m
Board Approval Date:	June 30, 2011
Closing Date:	December 31, 2017





A view of the Alaknanda River in the Project.

the impacts referred to in the Request have been taken into account in the course of Project preparation and are being addressed through the appropriate mitigation measures. Moreover, Management noted that many of the construction-related grievances raised in the Request cannot be related to the Project, since project construction has not yet begun. Management stated it is committed to ensuring that the Project complies with relevant environmental, health, and safety regulations of India, and the Bank's Operational Policies and Procedures.

#### THE PANEL'S REPORT AND RECOMMENDATION

A Panel team visited the Project area in November 2012 and issued its Report and Recommendation to the Board of Executive Directors on November 26, 2012. The Panel determined that the Requesters and the Request met the technical eligibility criteria set forth in the Panel's governing framework, and that the claims raised issues of harm and non-compliance of a serious character. In light of these concerns, the Panel recommended an investigation.

On December 18, 2012, the Board of Executive Directors approved the Panel's Report and Recommendation to investigate matters of policy non-compliance and related harm. The Board decided that the investigation would be effective as of March 15, 2013.

#### INVESTIGATION

The Panel investigation is ongoing, and a Panel team visited India from April 22 to May 2, 2013. In addition to meeting relevant stakeholders and World Bank staff in Delhi, the Panel team spent most of its time in the Project area in Chamoli District where it met with the Requesters, other villagers, Project authorities, and other interested parties.

The Panel's investigation is focusing on the key concerns of local-level harm or potential harm raised in the Request and the adequacy of preventive and mitigatory measures outlined in Project documents as required by Bank Operational Policies and Procedures. The investigation will also assess whether Bank Management complied with applicable policies and procedures during Project preparation with respect to broader issues of potential harm as they relate to the analysis of the Project area of influence, cumulative impacts, and project externalities. The investigation will take into account any efforts made by Management to resolve outstanding resettlement related to the Project and concerns raised by the Requesters in this regard.

*An initial Investigation Plan has been posted on the Panel's website. The Panel intends to submit its Investigation Report by October 2013.*



Panel team meeting with Sengwer people in one of the glades in Embobut forest.

## KENYA: NATURAL RESOURCE MANAGEMENT PROJECT

REQUEST NO. 84 • PROJECT NO. P095050



### THE REQUEST

The Panel received the Request for Inspection regarding the Kenya Natural Resource Management Project on January 14, 2013. Individuals from Sengwer communities who “live and represent others who live” in the four areas of the Cherangani Hills in the western highlands of Kenya, namely the Kapolet Forest (in Trans-Nzoia District), Talau and Kaipos (in West Pokot District), and Empoput Forest (in Marakwet District), sent the Request. The Requesters have asked for confidentiality.

The Request raised a number of concerns relating to land use and access issues, including some concerning human rights violations committed against Sengwer communities. The Requesters indicated that they do not feel that they are in an equitable and fair partnership with the Government of Kenya, nor are they properly involved in decision-making processes and implementation activities. The Requesters claimed that their rights were violated because they are not being recognized as Indigenous Peoples, but rather as a Vulnerable and Marginalized Group. They argued that this decision was taken without carrying out free prior and informed consultations with them. They also argued that there are plans to resettle the Sengwer families living in Empoput Forest in a manner that would violate Bank policy.

### THE PROJECT

The Management of Forest Resources component of the Project, which is the subject of the Request, was originally conceived to identify partnership models for community participation and benefit sharing in the forest sector; realign and demarcate boundaries in

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### PROJECT INFORMATION

#### Natural Resource Management Project

Region:	Africa
IDA Credit:	US\$78m
Board Approval Date:	March 27, 2007
Closing Date:	June 30, 2013

selected gazetted forests; support the effective implementation of a Resettlement Policy Framework; and develop and implement Resettlement Action Plans. A subsequent restructuring of the Project removed resettlement-related activities from the project objectives but included a provision to update the safeguards instruments and documents and improve their implementation to respond to the needs of Indigenous Peoples in the project areas. The Project as restructured supports preparation and implementation of what would be equivalent to Indigenous Peoples Plans, in Kenya, called Vulnerable and Marginalized Group Plans.

### MANAGEMENT RESPONSE

Management, in its Response, dated March 15, 2013, argued that the eviction described in the Request was not caused, nor supported, by the Project and was related to issues beyond the Project. It stated that the Bank helped to address issues raised by the Requesters in a very difficult context and worked with the stakeholders to support a solution to such issues. Management, however, added that the original Project documentation, especially the Indigenous People Planning Framework, may have raised unrealistic expectations about the Project's scope and its capacity to address historic issues of land and the longstanding grievances of the Sengwer community.

### THE PANEL'S REPORT AND RECOMMENDATION

In its Report and Recommendation, dated May 29, 2013, the Panel appreciated Management's forthright approach in recognizing the Project's limitations in dealing with the comprehensive resolution to land and legacy issues; and the intention of continuing engagement on these issues; and Management's responsiveness when reports of forced evictions and harassment began to emerge. However, the Panel determined that some serious issues remained with respect to the application of Bank Policies in relation to evictions and resettlement of affected Sengwer people; the consideration of customary rights of Sengwer people; and the consultation of affected Sengwer communities. The Panel recommended therefore that an investigation be carried out. The Board of Executive Directors approved this recommendation on June 7, 2013. The Panel posted its Investigation Plan on its website on August 7, 2013.



Gorom refugee camp, South Sudan.



# *Cases*

## WITH PENDING DECISIONS

REQUEST NO. 82

Ethiopia: Protection of Basic Services Phase II (Additional Financing)  
and Promoting of Basic Services Phase III Projects

REQUEST NO. 86

Malawi: Second National Water Development Project  
(Additional Financing)

# ETHIOPIA: PROTECTION OF BASIC SERVICES PHASE II (ADDITIONAL FINANCING) AND PROMOTING OF BASIC SERVICES PHASE III PROJECTS

REQUEST NO. 82 • LOAN NOS. P121727 AND P128891



## THE REQUEST

In September 24, 2012, the Panel received a Request for Inspection related to the Ethiopia: Protection of Basic Services (PBS) Phase II Project (Additional Financing) and to the Promoting of Basic Services Phase III Project, which form part of the Government's Protection of Basic Services Program (PBS).

The Request was submitted by two local representatives on behalf of 26 Anuak people from the Gambella region of Ethiopia who currently live in refugee camps outside of Ethiopia. The local representatives and the Requesters asked the Panel to keep their identities confidential because of serious concerns about their personal security and that of relatives in Ethiopia. Due to security concerns the Requesters appointed Inclusive Development International, a non-governmental organization, as their contact reference. The Request stated that the Requesters have been harmed by the Bank-supported PBS Program as a result of the World Bank's non-compliance with its policies and procedures because, in their view, the PBS Program is contributing directly to the Ethiopian Government's Villagization Program (VP) in the Gambella region, launched by the Government in 2010. The Request maintained that Government workers, whose

salaries are paid under the PBS Program, have implemented the VP. According to the Requesters, as part of the VP, Anuak people are being forced to leave their ancestral lands through mass evictions under the pretext of providing better services and improving the livelihoods of communities. In reality, they claimed, in the new sites where they were forcibly moved, the Requesters found infertile land and no schools, clinics, or other basic services. The annex to the Request invokes Bank non-compliance with respect to the policies on Indigenous Peoples, Involuntary Resettlement, and Project Supervision.

## THE PROJECT

The Project's objective is to contribute to expanding access and improving the quality of basic services delivered by subnational governments in five sectors—education, health, agriculture, water supply and sanitation, and rural roads—while continuing to deepen transparency and local accountability in service delivery. Sub-program A provides for Basic Service Block Grants for recurrent expenditures (salaries, operations, and maintenance) in the five basic service sectors, which are disbursed from the federal level to the regions and from the regions to the woredas (Districts). The Ministry of Finance and Economic Development is the overall responsible agency for project implementation. PBS III is also supported by a number of Development Partners including the African Development Bank, the United Kingdom's Department for International Development, the European Union, Austria, and Italy.

## PANEL'S ELIGIBILITY PHASE

The Panel received Management Response to the Request on November 19, 2012, and the Panel submitted its Report and Recommendation to the Board of Executive Directors on February 8, 2013. At the closing of the fiscal year, the Board had yet to make a decision on the Panel's Recommendation and Management Response, and the Panel's Report was still not publicly available.

## PROJECT INFORMATION

### Protection of Basic Services Phase II Project (Additional Financing)

Region:	Africa
IDA Credit:	US\$420m
Board Approval Date:	February 22, 2011
Closing Date:	January 7, 2013

### Promoting of Basic Services Phase III Project

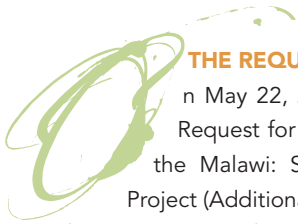
Region:	Africa
IDA Credit:	US\$600m
Board Approval Date:	September 25, 2012
Closing Date:	January 7, 2018

Gorom refugee camp, South Sudan.



## MALAWI: SECOND NATIONAL WATER DEVELOPMENT PROJECT (ADDITIONAL FINANCING)

REQUEST NO. 86 • PROJECT NO. P124486



### THE REQUEST AND INVESTIGATION SCOPE

In May 22, 2013, the Inspection Panel received a Request for Inspection raising concerns related to the Malawi: Second National Water Development Project (Additional Financing) (SNDWP).

The Request was submitted by Citizens for Justice (CFJ) on behalf of other Malawian organizations and on behalf of a number of concerned, potential, and affected residents in areas where the Northern Region Water Board of Malawi has and will install prepaid water meters.

Following the receipt of the Request, and at the closing of the Fiscal Year, the Inspection Panel was conducting its due diligence with the Requesters and Bank Management. The Panel is grateful for the cooperation that both parties have extended to the Panel during this period.







Giza North Power Plant seen from one of the farms, Giza North Power Project, Egypt.



# *Cases*

## **WITH NO INVESTIGATION RECOMMENDED**

REQUEST NO. 83

Afghanistan: Sustainable Development of Natural Resources  
(Additional Financing) and Sustainable Development of  
Natural Resources II Projects

REQUEST NO. 85

Egypt: Giza North Power Project

## AFGHANISTAN: SUSTAINABLE DEVELOPMENT OF NATURAL RESOURCES (ADDITIONAL FINANCING) AND SUSTAINABLE DEVELOPMENT OF NATURAL RESOURCES II PROJECTS

REQUEST NO. 83 • LOAN NOS. P116651 AND P118925



### THE REQUEST

In December 3 and December 6, 2012, the Panel received two Requests for Inspection related to the Afghanistan: Sustainable Development of Natural Resources (Additional Financing) and Sustainable Development of Natural Resources II Projects (SDNRP) from an affected community member and the Alliance for the Restoration of Cultural Heritage (ARCH). SDNRP aims to develop the Ministry of Mines' capacity to regulate mining and hydrocarbon activities, and the Requesters brought complaints against a planned copper mining project in the Mes Aynak region of Logar Province. They raised concerns that the water usage and waste disposal of the mining operation could damage the water, air, and soil quality in the region, with deleterious effects for local communities. In addition, they pointed to problems in the resettlement process, including allegations of land value underestimation, incomplete resettlement payments, and poor access to and quality of replacement farming land. High levels of local poverty and a widespread reliance on agriculture contributed to concerns that the mining project would harm already vulnerable communities. Additionally, the Requesters were deeply concerned that the mining operation would destroy historic archaeological sites in the area, including a Buddhist monastic complex and town site. Exacerbating these fears were general concerns held by the Requesters that Management had not adequately consulted local

communities, assessed environmental impacts, and surveyed archaeological finds.

### THE PROJECT

The SDNRP Projects are a part of a programmatic approach to oil, gas, and mining sector development in Afghanistan. The objectives of both Projects are closely aligned. The Projects' objectives include assisting the Ministry of Mines (MoM) and the National Environmental Protection Agency (NEPA) in "further improving their capacities to effectively regulate the [Government's] mineral resource development in a transparent and efficient manner, and foster private sector development." Project components include, among others, the "completion of the Aynak copper deposit transaction" and strengthening the capacity of MoM and NEPA for regulation and monitoring of operations, including implementation of a licensing system, inspection, and contract compliance monitoring functions. In addition, SDNRP provides support toward the preservation of Mes Aynak antiquities and support for alternative livelihoods through sustainable artisanal and small-scale mining.

### MANAGEMENT RESPONSE

In its Response, submitted on February 8, 2013, Management clarified that it is supporting institutional capacity development at the Ministry of Mines through technical assistance but not directly financing the commercial mining activities slated to take place in the Mes Aynak region, stressing the need to distinguish between its obligations and those of the Government of Afghanistan (GoA). Emphasizing the extremely difficult country context, including both limited government capacity and exceptional security challenges, Management asserted that it is working to resolve the Requesters' concerns. It noted that the environmental and archaeological assessment processes are still ongoing. In addition, as mining operations are unlikely to begin before 2016, there will be sufficient time to evaluate and account for these concerns within the framework of the project. Management also stated that GoA is making significant efforts to protect the physical and cultural resources at Mes Aynak, disagreeing with the Requesters' assessment. Finally, Management recognized initial shortcomings in the land acquisition undertaken by GoA and the Mining Company but argued that these issues are being corrected following Bank advice.

### PROJECT INFORMATION

#### Sustainable Development of Natural Resources Project (Additional Financing)

Region: South Asia  
IDA Credit: US\$10m  
Board Approval Date: June 11, 2009  
Closing Date: May 31, 2013

#### Sustainable Development of Natural Resources II Project

Region: South Asia  
IDA Credit: US\$52m  
Board Approval Date: May 31, 2011  
Closing Date: June 30, 2016



Panel team visiting Mes Aynak archeological site.

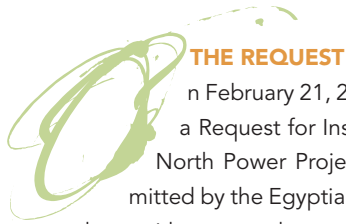
### THE PANEL'S REPORT AND RECOMMENDATION

A Panel team visited Kabul, Afghanistan, in April 2013, to meet with local stakeholders. The Panel noted that both Requesters and Management share common concerns with regard to the mitigation of potential environmental harms, the preservation of the physical cultural heritage, and the resettlement of affected individuals. While concerned about apparent gaps between the Bank's standards and the processes of resettlement, consultation, and disclosure of information that have taken place, as well as uncertainties regarding the manner in which the archaeological site will be preserved, the Panel recognized that the key social and environmental instruments that will guide project implementation are still in the process of preparation. Following the site visit, the Panel discussed with ARCH the information it had received about a Project-supported Archaeological Management Plan. ARCH confirmed that this plan may adequately cover concerns of harm to archaeological finds from the project, with certain important provisions.

These include creating a standing committee of relevant project stakeholders in the mining, archaeology, and civil society sectors; conducting a state-of-the art site survey of archaeological deposits; ensuring the quality of expert archeological staffing; and holding an advisory meeting of international archaeological and mining experts. Given Management's commitment, moving forward, to address the Requesters' concerns relating to resettlement, archeological work in Mes Aynak, and mitigation of environmental impacts in the upcoming safeguard documents, the Panel did not recommend an investigation into the Project at this time, while noting that this decision did not preclude the possibility of a future claim relating to non-compliance and harm. The Panel submitted its Report and Recommendation on April 23, 2013. The Board of Executive Directors approved this decision on May 6, 2013.

## EGYPT: GIZA NORTH POWER PROJECT

REQUEST NO. 85 • LOAN NO. P116194



### THE REQUEST

In February 21, 2013, the Inspection Panel received a Request for Inspection related to the Egypt Giza North Power Project (GNPP). The Request was submitted by the Egyptian Association for Collective Rights, along with seven other non-governmental organizations, on behalf of farmers and agricultural laborers from the Alqata and Abu Ghalib villages in Giza Governorate. The Requesters raised a range of concerns, including allegations that dewatering undertaken for the construction of the power plant had led to a drop in groundwater levels, causing wells to dry up and negatively impacting crop production; that the construction of a wall around the plant had interfered with a critical agricultural drainage canal and blocked sunlight and airflow to their fields; and that tenant farmers who allegedly occupied the plant site had been evicted without compensation. The Requesters raised additional concerns about potential future harm, fearing that untreated waste disposal would pollute irrigation water and harm fisheries, and that transmission line construction would result in loss of land. Finally, they complained that Management had not conducted adequate community consultations.

### THE PROJECT

The Project includes development and construction of a 1,500 megawatt combined cycle gas turbine power plant using natural gas at Giza North near Cairo; a transmission line to link the plant to the

national grid; and a gas pipeline for fuel supply. The plant will be owned and operated by the Cairo Electricity Production Company (CEPC), a subsidiary of the Egyptian Electricity Holding Company. The Project is classified as Category A. The Project includes co-financing for the investment component from the European Investment Bank and the Organization of Oil Exporting Countries Fund for International Development. The Government of Egypt is also contributing funds.

### MANAGEMENT RESPONSE

Management acknowledged that “limited harm occurred” but stated that each issue raised in the Request is already being addressed. Management described groundwater impacts as temporary and narrow in scope. It added that the groundwater table was completely restored by April 2013 and stated that mitigation measures and compensation packages were offered to affected farmers. It argued that there is no evidence that the construction negatively impacted the functionality of rural drainage canals or exposure to sufficient levels of sunlight of nearby farms. Furthermore, Management insisted that pollution levels are being closely monitored, managed, and kept within acceptable Egyptian and Bank standards. Management also clarified that there were no plans to discharge untreated waste into the Nile River and offered evidence that no tenant farmers were evicted from the land due to the project. Finally, Management pointed to significant increases in supervision after receiving community complaints in May 2012 and noted that the Grievance Redress Mechanism has recently become fully functional and is positioned to address problems in the future.

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### PROJECT INFORMATION

#### Giza North Power Project

Region:	Middle East and North Africa
IBRD Loan:	US\$840m
Board Approval Date:	June 8, 2010
Closing Date:	December 31, 2016

### THE PANEL'S REPORT AND RECOMMENDATION

In May 2013, a Panel team visited Egypt to meet with the Requesters, and convened with approximately 100 potentially affected individuals. The Panel team also met with other stakeholders, including government officials, officials from the electricity holding company, civil society organizations, and Bank Country Office staff. The Panel



**Fishermen community met with Panel team.**

recognized that the Request raises issues of a potentially serious character, including the effects on groundwater from dewatering and the duration and adequacy of remedial measures to prevent loss of income for farmers. The Panel also noted that affected farmers believe the groundwater level has not yet been fully restored and are concerned about lack of water in the following season. The Panel noted additional concerns regarding the issues of timely communication, consultation, and dissemination of information about the Project. At the same time, the Panel considered that the outstanding issues of harm are limited in scale and complexity, and that they seem to be amenable to being addressed through the mitigation plans and grievance redress system that are now in place.

Acknowledging Management's recognition of some limited harms and efforts to redress them, and acknowledging that both Requesters and CEPC Project management are willing to continue

their dialogue with the objective of arriving at mutually agreed solutions, the Panel did not recommend an investigation at this time. It noted, however, the capacity constraints faced by the Project implementing unit, which requires urgent attention, notably weaknesses in information dissemination, especially as regards the Grievance Redress Mechanism. The Panel was of the view that the combined efforts of CEPC Project management and Bank Management provided sufficient confidence that the remaining issues of harm will be redressed in consultation with the affected farmers and communities. It also noted that its decision not to recommend an investigation did not preclude the possibility of a future claim relating to non-compliance and harm regarding this project. The Panel submitted its Report and Recommendation on June 10, 2013. The Board of Executive Directors approved the Panel's recommendation on June 21, 2013.



Farmer community in the district of Srikakulam, Andhra Pradesh, India.





# *Requests*

## RECEIVED IN PREVIOUS FISCAL YEARS AND COMPLETED FISCAL YEAR 2013

REQUEST NO. 71

Lebanon: Greater Beirut Water Supply Project

REQUEST NO. 78

Kosovo: Kosovo Power Project (Proposed)

REQUEST NO. 79

Kenya: Energy Sector Recovery Project

REQUEST NO. 80

India: Improving Rural Livelihoods through Carbon Sequestration

## LEBANON: GREATER BEIRUT WATER SUPPLY PROJECT

REQUEST NO. 71 • PROJECT NO. P103063



### THE REQUEST

In November 4, 2010, the Panel received a Request for Inspection concerning the Greater Beirut Water Supply Project (GBWSP) submitted by Mr. Fathi Chatila (the Requesters' Representative) on behalf of himself and 50 residents of the Greater Beirut area, who feared that alleged failures and omissions of the Bank in the design and preparation of the Project would likely cause them harm. The Requesters claimed that the raw water to be used by the Project is not fit as a source for potable water. With respect to the economic analysis, the Requesters stated that it is not clear whether the Project is the least costly option because, in their view, certain investment costs, including the cost of treating highly contaminated water, were not taken into consideration. The Request also argued that the Project, as designed, will deprive farmers in the south of Lebanon and the Upper Litani River Basin of water for irrigation. The Requesters further claimed that the Qaraoun Lake is not storing enough water to meet the demands for both the Project and irrigation schemes under development.

### THE PROJECT

The Project's objective is to "increase the provision of potable water to the residents in the project area [Greater Beirut] including those in the low-income neighborhoods of Southern Beirut, and to strengthen the capacity of the Beirut Mount Lebanon Water Authority in utility operations." This objective is to be achieved through building a water conveyer, a water treatment plant, storage reservoirs, and distribution networks to deliver water from the Litani and Awali Rivers to the Greater Beirut region.

### PROJECT INFORMATION

#### Greater Beirut Water Supply Project

Region:	Middle East and North Africa
IBRD Loan:	US\$200m
Board Approval Date:	December 16, 2010
Closing Date:	June 30, 2016

### MANAGEMENT RESPONSE

In its Response, Management acknowledged that it had an extensive exchange of information with the Requesters' Representative on the issues raised by him prior to the submission of the Request for Inspection. Management disagreed, however, that the harmful consequences described in the Request will result from the Project. According to Management's Response, the water being delivered under the Project will be treated following national and international quality standards and no water will be diverted away from irrigation. Management further stated that the Project meets the least-cost approach and does not preclude other longer term measures for water supply that are under review.

### THE PANEL'S FIRST REPORT AND RECOMMENDATION

The Panel in its first Report and Recommendation, dated January 20, 2011, determined that the Request and the Requesters met the technical eligibility criteria set forth in the Panel's governing framework, and recommended an investigation into issues of compliance and potential harm related to water quality, costs, and water availability. Members of the Board of Executive Directors requested a full Board discussion of the Panel's recommendation, and this Board meeting took place on March 8 and March 10, 2011. After the Panel had submitted its Report to the Board and a full Board discussion of the Panel's recommendations had been requested, Management commissioned an Independent Technical Review of Source Water Quality by the Water Institute of the University of North Carolina. During the Board meeting on March 8, 2011, Management committed to expand the breadth of this study to cover also water availability and costs issues. At the conclusion of the Board meeting, the Board of Executive Directors determined that "acknowledging the legitimacy of the Requesters' concerns, the Board invited the Inspection Panel to return by July [2011] after considering and taking into account the analysis of the study commissioned by Management on the water quality, availability, and cost, in order to inform the Board on whether or not subsequent investigation is warranted, and if so, on its precise focus."

### MANAGEMENT AND PANEL FOLLOW-UP REPORTS

In June 2011, Management provided the Panel with the final reports of the three studies it had commissioned: an Independent Technical Review of Source Water Quality; an Independent Technical Review of Source Water Quantity; and a Study of Project Cost Estimates, Financial, and Economic Analyses.

In July 29, 2011, the Panel issued its Report, "Follow-Up to Board Decision of March 20, 2011," where it stated that in light of recent actions proposed by Management to address key issues and risks, the Panel decided to await further developments before deciding on whether an investigation was warranted. Management submitted its Progress Report on the Implementation of Management's Action Plan in January 2013.

The Management Progress Report, dated January 31, 2013, indicated that the GBWSP's implementation was delayed due to political and security events in Lebanon. The Project was declared effective only in December 2012, but in the meantime, under the retroactive financing clause of the Loan Agreement, efforts were carried out to hire technical and institutional experts for the Project Management Unit to advance the preparation of the bidding processes and to continue the water quality monitoring of the Project source waters. In addition, the Progress Report noted that a number

of Bank missions had been carried out since October 2011. The Bank also retained experts to reinforce project supervision and to review design and tender documents. It further hired an international water quality expert to review the water quality monitoring results and the bid specifications for the Project's water treatment plant. In addition, Management noted that it monitored other Government projects, including the Canal 800 Irrigation Project and the Business Plan for Combating Pollution of the Litani River.

### THE PANEL'S FINAL REPORT AND RECOMMENDATION

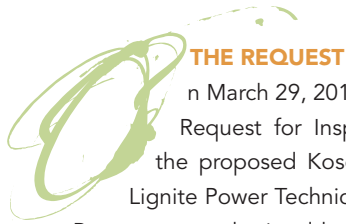
The Panel issued its Final Report and Recommendation on April 8, 2013. In light of the information included in the Progress Report, additional responses by Management, new planning documents, information received from the Requesters, and the review of an independent expert commissioned by the Panel, the Panel was of the view that Management had taken actions aimed at addressing the Requesters' concerns and had provided sufficient information to demonstrate compliance with the relevant Bank Policies and Procedures, with respect to the three issues under review: (1) availability of water for the Project and impacts on other users; (2) water quality and the financial strength of BMLWE; and (3) potential effects on water tariffs. The Panel concluded that an investigation was not warranted.



Qaraoun dam

## KOSOVO: KOSOVO POWER PROJECT (PROPOSED)

REQUEST NO. 78 • PROJECT NO. P118287



### THE REQUEST

In March 29, 2012, the Inspection Panel received a Request for Inspection concerning two Projects: the proposed Kosovo Power Project (KPP) and the Lignite Power Technical Assistance Project (LPTAP). The

Request was submitted by representatives of the villages of Dardhishte, Lajthishte/Sibovc, Palaj/Cerna Vidoca, Hade of Obiliq Municipality, and the town of Obiliq in Kosovo; by the Kosovo Energy Corporation's independent Kosovo Energy Trade Union; and by three Kosovar civil society organizations: the Institute for Development Policy (INDEP), the Institute of Advanced Studies, and the Forum for Civic Initiative.

The Requesters stated that they were concerned about the "very serious" social, economic, and environmental impacts related to KPP and LPTAP and that they have "already felt the impacts of these projects and are worried about what will happen after KPP has been built." The Requesters also raised concerns about the already-high level of environmental degradation in the Project area. They also were concerned about loss of jobs related to the proposed privatization of energy generation and mining. The Panel registered the Request on April 12, 2012, noting that the IDA grants for the LPTAP closed on December 31, 2011, and in accordance with Paragraph 14 (c) of the Resolution, the Panel's registration did not cover LPTAP.

### PROJECT INFORMATION

#### Kosovo Power Project (Proposed)

Region:	Europe & Central Asia
Product Line:	Guarantees
Board Approval Date:	N/A
Closing Date:	N/A

### MANAGEMENT RESPONSE

Management submitted its Response on May 21, 2012 (after receiving an extension for the submission). Management stated that the Project is presently at a concept stage and that major parts of Project assessment are yet to be completed. Therefore, according to Management, it would not be able to decide for another year whether to propose the Kosovo Power Project for Board consideration. Management asserted that because the Project was at this early stage, no violation of Bank Operational Policies and Procedures has occurred to cause harm to the Requesters. Management stated that it is aware of the severe adverse environmental legacy and ongoing environmental concerns associated with the existing Kosovo A and B power plants, which have caused significant deterioration of air, soil, and water quality in their vicinity, and that a comprehensive Environmental and Social Impact Assessment (ESIA) will be undertaken for the proposed Project, which will meet all requirements of OP 4.01 (Environmental Assessment).

### THE PANEL'S ELIGIBILITY REPORT AND RECOMMENDATION

A Panel team visited Kosovo from May 31 to June 2, 2012, and submitted its eligibility Report to the Board of Directors on June 20, 2012. The Panel noted that the Request raises a diverse set of issues and that different groups represented in the Request have distinct concerns. The Panel met with all the groups to understand whether a causal link is likely between the harms alleged and the proposed Project and the Bank's lack of follow-up of its Operational Policies.

The Panel recognized the legitimacy and significance of the Requesters' concerns about the potential future impacts of the proposed Project, and noted that non-compliance with Bank Policies, if it were to occur, could potentially contribute to the harms of the type specified in the Request and noted in the Panel Report. The Panel Report stated that important analytical work, such as the Environmental and Social Impact Assessment (ESIA), the Resettlement Action Plans (RAPs) for villages that may be resettled, and a proposed labor study, has yet to begin. The Panel also noted Bank Manage-

ment's explanation that it intends to ensure that all analytical and relevant preparatory work will comply with Bank Policies and Procedures moving forward. The Panel understands that this commitment also implies ensuring that ongoing and future resettlement will be implemented in accordance with Bank policy and provisions, as laid out in the respective RAPs and land acquisition and compensation agreements with the affected households. Taking this into consideration, the Panel's assessment was that, at this early stage in the Project preparation process and prior to the start of the ESIA, there were no key World Bank activities or decisions relevant to the concerns raised in the Request that the Panel can review as a matter of policy compliance. The Panel therefore did not recommend an investigation of whether the Bank has complied with its Operational Policies and Procedures. The Panel noted that affected people will have recourse to the Panel at a later stage in the Project cycle if they wish. The Board of Directors approved the Panel's recommendation on a no-objection basis on July 6, 2012.



**Kosovo Power Plant**

## KENYA: ENERGY SECTOR RECOVERY PROJECT

REQUEST NO. 79 • PROJECT NO. P083131



### THE REQUEST

In May 10, 2012, the Inspection Panel received a Request for Inspection relating to the Kenya: Energy Sector Recovery Project and its subsequent additional financing. The Request was sent by Mr. Peter Usher on behalf of the Njumbi Road Residents' Association. The Request raised a number of concerns relating to the construction of an electric power substation in Lavington, Nairobi. The Requesters alleged that this substation poses risks to their health and safety. In addition, they stated that their properties have lost value because of the construction. They also noted that they had filed a lawsuit at the National Environmental Tribunal (NET) over the substation and that the NET had issued a "Stop Order" of its construction but the construction had continued.

### THE PROJECT

The Project's objectives include the increase in access to electricity in urban and peri-urban areas while improving the efficiency, reliability, and quality of service to customers. For that purpose, the Project would finance the construction of six priority transformer substations in industrial and residential areas of Nairobi that are experiencing high electricity demand growth. The construction of the Lavington substation is one of them. The European Investment Bank, the Agence Française de Développement, and the Nordic Development Fund also support the Project as co-financiers. The Borrower is the Ministry of Energy.

### MANAGEMENT RESPONSE

On June 25, 2012, Management submitted its Response to the Request for Inspection. It stated that the Requesters' rights and interests have not been directly or adversely affected by any violation of

Bank Operational Policies and Procedures. Management acknowledged that development in an urban environment, while serving the entire community, may adversely impact some residents more than others. However, Management argued that mitigation and safety measures addressed appropriately the Requesters' concerns. Management added that the concerns associated with the substation's proximity to the Requesters' residences illustrate the challenges of supporting development of essential infrastructure in a densely populated urban setting. Nevertheless, in order to improve Project implementation and assure the effectiveness of mitigation measures spelled out in the Environmental Management Plan, Management recommended a series of steps to mitigate and monitor potential impacts of the substation. These address a range of issues, including fire risk, safety, security, noise, monitoring of radiation and public reporting, and visual appearance/landscaping. Management stated that the implementing entity agreed with these recommendations.

### THE PANEL'S REPORT AND RECOMMENDATION

In June 2012, a Panel team undertook a site visit and met with all stakeholders. On July 25, 2012, the Panel submitted its Report to the Board of Executive Directors, in which it did not recommend an investigation. It noted that the Requesters were mainly concerned with the legitimacy of the process that led to the siting and construction of the substation and that they were seeking its removal and consideration of alternative sites. The Panel noted that the issue of conformity with national laws and regulations of the process leading up to the siting and construction of the Lavington substation was subject to an ongoing process at the National Environmental Tribunal. The Panel also noted that Management acknowledged certain shortcomings in relation to the process that led to the siting and construction of the substation and made a number of additional commitments to mitigate environmental impacts of the substation.

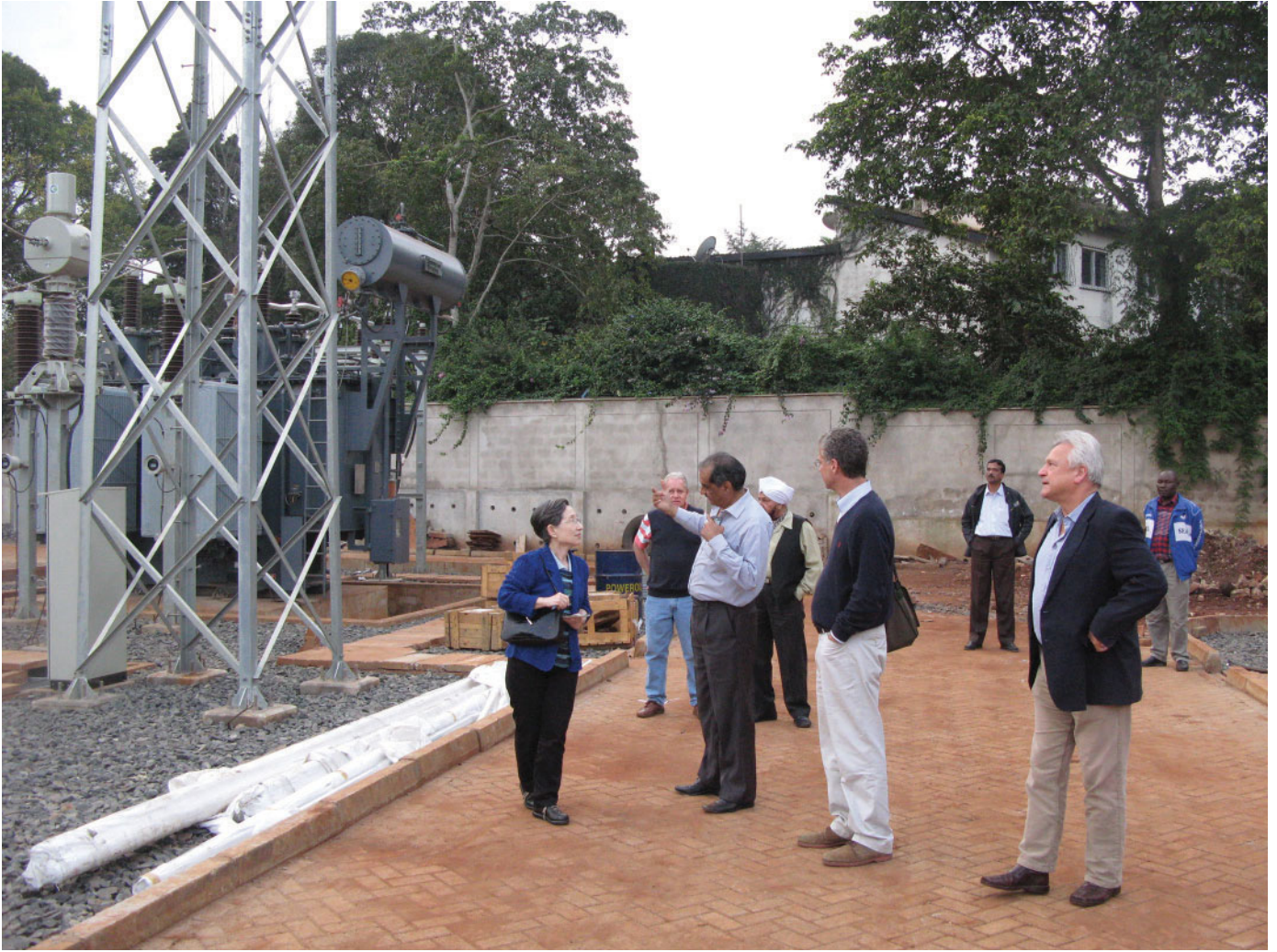
The Board approved the Panel's recommendation on August 6, 2012. Subsequently, on March 8, 2013, Mr. Peter Usher informed the Panel that the National Environmental Tribunal ruled in favor of the Njumbi Road Residents' Association and ordered the revocation of the environmental license for the substation and directed its relocation to a suitable site.

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### PROJECT INFORMATION

#### Energy Sector Recovery Project

Region:	Africa
IDA Credit:	US\$80m
Board Approval Date:	April 2, 2009
Closing Date:	September 30, 2013



View from the Lavington substation.

## INDIA: IMPROVING RURAL LIVELIHOODS THROUGH CARBON SEQUESTRATION

REQUEST NO. 80 • PROJECT NO. P095901



### THE REQUEST

In April 23, 2012, the Panel received a Request for Inspection related to the India: Improving Rural Livelihoods through Carbon Sequestration Project, supported by the BioCarbon Fund. Farmers, many of them belonging to Scheduled Tribes and Scheduled Castes from districts in the states of Orissa and Andhra Pradesh, submitted the Request.

The Request stated that though farmers have raised plantations on their degraded lands under an agreement initiated by the Project, the carbon revenue accrued by such plantations would be given only to farmers whose plantations were still standing at the time the Project's verification audit took place, while those who had to harvest and sell their trees before would not be receiving carbon revenues. According to the Request, delays in Project execution by the Bank delayed the verification activities. In the meantime some farmers had decided to harvest and sell trees that had reached their maturity. Hence, the Requesters claimed that the delay caused harm to some farmers by depriving them of their revenue.

### THE PROJECT

The Project, supported by the BioCarbon Fund, assists participating farmers in raising plantations of fast-growing tree species with high rates of carbon sequestration (mainly eucalyptus and casuarina species) on fallow land on their properties. Once trees are harvested—normally between five and seven years after planting—the farmers sell the timber to one of the Project entities, J.K. Paper Limited paper company, on a buyback guarantee. In addition, the farmers receive revenue from selling emission reductions through a second Project entity, Vanitha Empowerment, Development and Advance-

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### PROJECT INFORMATION

#### Improving Rural Livelihoods through Carbon Sequestration

Region:	South Asia
BioCarbon Trust Fund:	US\$1.1m
Board Approval Date:	May 8, 2007
Closing Date:	December 31, 2018

ment. This Project is officially registered under the United Nations Framework Convention on Climate Change's Clean Development Mechanism (CDM, Registration No. 4531). The BioCarbon Fund is a public/private initiative established as a trust fund administered by the World Bank for carbon sequestration projects in forestry and agro-ecosystems.

### MANAGEMENT RESPONSE

Management in its Response to the Request, dated September 18, 2012, noted that the Bank had promptly made the payments payable to the Project entities required under the Project's legal agreement, following audits completed under the CDM framework rules. Project entities were in turn responsible to pay the farmers their share of carbon revenue. Management indicated that it had transferred the carbon revenue to the escrow account held by the two entities in April 2012, but the entities had yet to release the payments to the farmers.

### THE PANEL'S REPORT AND RECOMMENDATION

The Panel reviewed the Request, Management Response, and relevant documents related to the CDM Framework. A Panel team also met with, and listened to, farmers who submitted the Request, the Project entities, and Bank staff in the New Delhi country office. The Panel determined in its Report and Recommendation, dated October 17, 2012, that the Request and the Requesters met the technical eligibility criteria under the Panel's governing framework, but concluded that there were no indications of policy non-compliance on the part of Management with regard to the payment of carbon revenue being withheld from the farmers, as the Panel understood that the funds were transferred into the escrow account without delay in April 2012. The Panel also verified that Management communicated and followed up with the Project entities to expedite the payment to the farmers. On October 30, 2012, the Board of Executive Directors approved the Panel's recommendation that an investigation was not warranted.





Panel Chairperson meets with farmers participating in the Project.

# Awareness—Raising

## AND OUTREACH ACTIVITIES

The Panel recognizes a critical need to build awareness about its availability, so that affected people are informed of, and can exercise, their right to access an independent accountability mechanism reporting to the Board of Executive Directors of the World Bank, if they believe that they have been or are likely to be adversely affected by a World Bank-supported operation. For this reason, the Panel conducts broad outreach to civil society, academia, development practitioners, and other groups. To facilitate this, the Inspection Panel joined Facebook in March 2013. To get the very latest on the Panel and its work, interested parties can now follow the Panel on Facebook.

To meet the needs of multilingual audiences, the Panel has a brochure explaining its mission and providing guidance on filing a Request for Inspection, which can be found in 12 languages on its website: [www.inspectionpanel.org](http://www.inspectionpanel.org).

The outreach activities and events carried out this fiscal year are summarized in this section.

### **WORKSHOP ON “ACCOUNTABILITY, INTEGRITY AND ANTI-CORRUPTION: THE AFRICAN DEVELOPMENT BANK’S APPROACH,” LOMÉ, TOGO, JULY 17–18, 2012**

In July 2012, the Independent Recourse Mechanism of the African Development Bank invited the Panel to present its work and experience at a two-day workshop in Togo. The workshop was held under the title of “*Accountability, Integrity and Anti-Corruption: The African Development Bank’s Approach.*” Panel Senior Operations Officer Serge Selwan presented the Panel experience and lessons learned from its work as an example of a citizen-driven accountability mechanism available for people affected by Projects, which the World Bank finances in part or in total. The Panel’s work in Africa and its contribution to principles of citizen-driven accountability were extensively discussed at the workshop.

### **FIFTEENTH MEETING OF THE WORKING GROUP OF THE PARTIES TO THE AARHUS CONVENTION, UNITED NATIONS, GENEVA, SEPTEMBER 3–5, 2012**

In September 2012, at the invitation of the Aarhus Convention, the Panel took part at the fifteenth meeting of the Working Group of the Parties to the Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention). At the meeting, Parties reaffirmed their binding commitment to promote the principles of the Convention in international forums and identified key areas, including new processes, for targeted action. Civil society urged Parties to contact their representatives of the boards of International Financial Institutions to make them aware of their obligation to promote the Aarhus Convention’s principles in International Financial Institutions’ processes. Panel Deputy Executive Secretary Dilek Barlas participated in the meeting and shared the Panel experiences on access to information, transparency, and consultations.

**CIVICUS WORLD ASSEMBLY, MONTREAL, CANADA,  
SEPTEMBER 5–7, 2012**

The Panel, jointly with the Compliance Advisor Ombudsman (CAO), took part at the Civicus World Assembly. This global event brought together over 900 civil society organizations from throughout the world and generated lively discussions on how to achieve more transparent and accountable global governance. The key theme of the World Assembly was “Defining a New Social Contract—Making the Future Together.” Panel Operations Analyst and Communication Specialist Dilya Zoirova presented at the Assembly session on “Regional Institutions—an Inclusive Governance Framework: Failures, Possibilities, Solutions.” The Panel and CAO cohosted an information booth for Assembly participants.

**NINTH MEETING OF INTERNATIONAL ACCOUNTABILITY  
MECHANISMS, LUXEMBOURG, SEPTEMBER 25–27**

The Inspection Panel participated in the Ninth Meeting of Independent Accountability Mechanisms (IAMs) of international financial institutions and development organizations hosted by the Complaints Mechanism of the European Investment Bank (EIB).

A symposium on “IAMs and Public Sector Accountability” held on September 25 at the University of Luxembourg preceded the IAMs meeting. The symposium’s objective was to stimulate debate on the accountability of International Financial Institutions and their capacity to monitor the impact of projects on human rights. The work of IAMs in assessment of social impacts of projects, establishment of corrective measures mitigating social impact, and monitoring of such measures was presented. Alf Jerve, Chairperson of the Inspection Panel, gave a presentation on environmental rights issues comparing the Aarhus Convention Framework and safeguard policies and accountability of the World Bank.

The two-day IAMs meeting started on September 26 with opening remarks by EIB President Werner Hoyer and the European Ombudsman Nikiforos Diamandouros. The main goals of the meeting were to: identify current accountability trends; contribute to institutional capacity building; identify good practices and knowledge, share experiences, lessons learnt, and challenges ahead; and, explore the possibility of greater harmonization among IAMs’ practices. The meeting Panel contributed to deliberations with a presentation by Alf Jerve on the outcomes of the IAMs work in the context of the 2012 United Nations Conference on Sustainable Development (RIO+20), a presentation by Peter Lallas, the Panel’s Executive Secretary, on “IAMs/Grievances’ Mechanisms in Co-Financed Projects—How It Works?” and the Panel’s perspective at the session “From coordination to greater harmonization—Hints for a global IAMs Memorandum of Understanding.”



*Top: Information booth of the Inspection Panel and CAO at the Civicus World Assembly, Montreal, Canada, September 6, 2012.*

*Bottom: Panel of speakers at the International Right to Know Day, EU Parliament, Brussels, September 28, 2012.*

**INTERNATIONAL RIGHT TO KNOW DAY—TRANSPARENCY  
AND ACCOUNTABILITY IN INTERNATIONAL DEVELOPMENT  
BANKS, EU PARLIAMENT, BRUSSELS, SEPTEMBER 28, 2012**

The Panel and other Independent Accountability Mechanisms at the International Financial Institutions took part in the International Right to Know Day at the European Union Parliament in Brussels. The event was organized by the European Ombudsman in cooperation with the Complaints Mechanism of the European Investment Bank. Alf Jerve, the Chairperson of the Inspection Panel, presented at the session on the role of Independent Accountability Mechanisms in ensuring accountability of International Financial Institutions.

The International Right to Know Day, celebrated each year on September 28, was established in 2003 by access to information advocates from around the world.



Inspection Panel-hosted session as part of the Civil Society Policy Forum at the WB/IMF Spring Meetings, World Bank HQ, Washington, D.C., April 18, 2013.

#### **WORLD BANK/INTERNATIONAL MONETARY FUND ANNUAL MEETINGS, TOKYO, JAPAN, OCTOBER 10–13, 2012**

The Inspection Panel and Compliance Advisor Ombudsman (CAO) cohosted a session on “Citizen-Led Accountability at the World Bank Group: Experiences of Independent Recourse Mechanisms” at the World Bank–IMF Annual Meetings Civil Society Policy Forum in Tokyo on October 12, 2012. The session provided an overview of the Inspection Panel and CAO. Alf Jerve, Chairperson of the Inspection Panel, and Meg Taylor, Vice-President and CAO, discussed their processes, trends, and lessons learnt since the establishment of both Mechanisms.

On October 13, 2012, Mr. Jerve, presented at the session organized by the Japan Center for a Sustainable Environment and Society and by the Bank Information Center. The panel discussion centered on the possible policy lessons for the safeguard review, which is undertaken by the World Bank. It provided opportunity to discuss cases of non-compliance with the Bank’s Safeguard Policies, particularly with regards to environmental assessment, involuntary resettlement, and indigenous peoples.

#### **CONFERENCES ON DEVELOPMENT AND INTERNATIONAL LAW**

Panel Executive Secretary Peter Lallas took part in two conferences in Washington, D.C., to discuss the topic of citizen-driven accountability in international development and the role of Independent Accountability Mechanisms.

In October 2012, at an event entitled “Independent Accountability in International Development: Perspectives from International Financial Institutions,” organized by the Society for International Development, Mr. Lallas made a presentation on the Inspection Panel and accountability. The event was attended by a wide variety of experts in the field of international development.

In April 2013, at a panel session under the Annual Meetings of the American Society of International Law, Mr. Lallas was invited to speak on accountability in the context of international development. The event brought together legal and other specialists from around the world on the theme of international law in a multipolar world.

#### **WORLD BANK/INTERNATIONAL MONETARY FUND SPRING MEETINGS, WASHINGTON D.C.—APRIL 17–20, 2013**

On April 17, 2013, as part of the World Bank/International Monetary Fund Spring Meetings, the Inspection Panel welcomed the Civil Society Policy Forum participants to its traditional Open House. Guests met with Panel Members and Secretariat staff, learned about Panel operations, and exchanged views with the Panel in an informal setting.

In addition, on April 18, 2013, the Panel hosted a session entitled “Defining the Boundaries of a Project: Where Does Bank Accountability Stop?” as part of the Civil Society Policy Forum. The Panel, in many cases, found that the area of influence of a Project had been too narrowly defined, and as a consequence some potential impacts had been overlooked.



**Panel of speakers at the side event organized by the Indian Law Resource Center under the 12th Session of the UN Permanent Forum on Indigenous Issues, UN HQ, New York, May 23, 2013.**

**GLOBAL LAND FORUM 2013: INCLUSIVE AND SUSTAINABLE TERRITORIAL GOVERNANCE FOR FOOD SECURITY, ANTIGUA, GUATEMALA—APRIL 23–26, 2013**

From April 23 to 26, 2013, Panel Senior Operations Officer Tatiana Tassoni participated at the Global Land Forum 2013 on Inclusive and Sustainable Territorial Governance for Food Security organized by

the International Land Coalition in Antigua, Guatemala. Ms. Tassoni presented the Inspection Panel, history, functioning and operations at the session on “Transparency, Accountability and Open Development on Land.” The Inspection Panel’s work in relation to land management issues was the focus of her presentation. The Panel’s work was also showcased at the Forum’s Marketplace of Ideas.

**12TH SESSION OF THE UNITED NATIONS PERMANENT FORUM ON INDIGENOUS ISSUES, UN HEADQUARTERS, NEW YORK—MAY 23–24, 2013**

On May 23 and May 24, 2013, Panel Senior Operations Officer Serge Selwan and, Panel Operations Analyst and Communication Specialist Dilya Zoirova attended the 12th Session of the United Nations’ Permanent Forum on Indigenous Issues. On May 23, at the side event organized by the Indian Law Resource Center and entitled “Holes in the Safety Net: Real Impacts of the World Bank’s Indigenous Peoples Policy,” Mr. Selwan presented the Inspection Panel’s work on complaints raised in relation to non-compliance with the Bank’s Policy on Indigenous Peoples. The event was attended by indigenous leaders and experts from many parts of the world to discuss the World Bank’s Policy on Indigenous Peoples and ways to strengthen it.

**TABLE 1**  
**SUMMARY OF INSPECTION PANEL CASES**

June 30, 2013

	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
1.	<b>Nepal:</b> Arun III Proposed Hydroelectric Project and Restructuring of IDA Credit	October 24, 1994	Yes	Investigation Yes	Eligibility Report Investigation Report	Economic evaluation of investment operations (OP/BP 10.04) Disclosure of operational information (BP 17.50) Outline for a project information document (BP 10.00, Annex A) Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Indigenous peoples (OD 4.20)
2.	<b>Ethiopia:</b> Compensation for Expropriation and Extension of IDA Credits to Ethiopia	May 2, 1995	No	— —	—	Dispute over defaults on external debt, expropriation, and breach of contract (OMS 1.28)
3.	<b>Tanzania:</b> Power VI Project	May 16, 1995	Yes	No investigation Yes	Eligibility Report	Article V Section 1(c), IDA Articles of Agreement Article V Section 1(d), IDA Articles of Agreement Article V Section 1(g), IDA Articles of Agreement Environmental aspects of Bank work (OMS 2.36) Environmental assessment (OD 4.01)
4.	<b>Brazil:</b> Rondônia Natural Resources Management Project	June 16, 1995	Yes	Investigation No	Eligibility Report Additional Review Report Review of Progress in Implementation	Project supervision (OD 13.05) Forestry (OP 4.36) Wildlands (OPN 11.02) Indigenous peoples (OD 4.20) Involving nongovernmental organizations in Bank-supported activities (GP 14.70) Project monitoring and evaluation (OD 10.70) Investment lending—identification to the Board presentation (BP 10.00) Suspension of disbursements (OD 13.40) Accounting, financial reporting, and auditing (OD 10.60) Procurement (OD 11.00) Use of consultants (OD 11.10) Borrower compliance with audit covenants (OD 13.10)
5.	<b>Chile:</b> Financing of Hydroelectric Dams in the Bio-Bio River	November 17, 1995	No	—	—	Environmental policy for dam and reservoir project, Annex B (OD 4.00) Indigenous peoples (OD 4.20) Wildlands (OPN 11.02) Management of cultural property in Bank-financed projects (OPN 11.03) Involuntary resettlement (OD 4.30) Project supervision (OD 13.05)

	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
6.	<b>Bangladesh:</b> Jamuna Multipurpose Bridge Project	August 23, 1996	Yes	No investigation Yes	Eligibility Report Report on Progress on Implementation of Action Plan	Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Involving nongovernmental organizations in Bank-supported activities (GP 14.70)
7.	<b>Argentina/Paraguay:</b> Yacyretá Hydroelectric Project (1996)	September 30, 1996	Yes	Investigation No	Eligibility Report Review of Present Project Problems and Assessment of Action Plans	Environmental policy for dam and reservoir projects (OD 4.00, Annex B) Environmental assessment (OD 4.01) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Project monitoring and evaluation (OD 10.70) Project supervision (OD 13.05) Wildlands (OPN 11.02) Management of cultural property in Bank-financed projects (OPN 11.03) Environmental aspects of Bank work (OMS 2.36) Suspension of disbursements (OD 13.40)
8.	<b>Bangladesh:</b> Jute Sector Adjustment Credit	November 13, 1996	Yes	No investigation Yes	Eligibility Report	Adjustment lending policy (OD 8.60) Project supervision (OP 13.05) Suspension of disbursements (OP 13.40)
9.	<b>Brazil:</b> Itaparica Resettlement and Irrigation Project	March 12, 1997	Yes	Investigation No	Eligibility Report Action Plan Review	Environmental policy for dam and reservoir projects (OD 4.00, Annex B) Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Indigenous peoples (OD 4.20) Project supervision (OD 13.05)
10.	<b>India:</b> NTPC Power Generation Project	May 1, 1997	Yes	Investigation Yes	Eligibility Report Report on Desk Investigation	Economic evaluation of investment operations (OD 10.04) Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Indigenous peoples (OD 4.20) Project supervision (OD 13.05)
11.	<b>India:</b> Ecodevelopment Project	April 2, 1998	Yes	Investigation No	Eligibility Report	Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Forestry (OP 4.36)
12.	<b>Lesotho/South Africa:</b> Phase 1B of Lesotho Highlands Water Project (1998)	May 6, 1998	Yes	No investigation Yes	Eligibility Report	Environmental policy for dam and reservoir projects (OD 4.00, Annex B) Economic evaluation of investment operations (OD 10.04) Poverty reduction (OD 4.15) Water resources and management (OP 4.07)
13.	<b>Nigeria:</b> Lagos Drainage and Sanitation Project	June 17, 1998	Yes	No investigation Yes	Eligibility Report	Involuntary resettlement (OD 4.30) Poverty reduction (OD 4.15) Gender dimensions of development (OD 4.20) Project monitoring and evaluation (OD 10.70) Economic evaluation of investment operations (OP/BP 10.04) Article V, Section 1(g), IDA Articles of Agreement

	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
14.	<b>Brazil:</b> Land Reform Poverty Alleviation Project	December 14, 1998	Yes	No investigation Yes	Eligibility Report	Poverty reduction (OD 4.15) Disclosure of operational information (BP 17.50) Environmental assessment (OD 4.01) Involving nongovernmental organizations in Bank-supported activities (GP 14.70)
15.	<b>Lesotho:</b> Highlands Water Project (1999)	April 26, 1999	Yes	No investigation Yes	Eligibility Report	Disputes over defaults on external debt, expropriation, and breach of contract (OP/BP 7.40) Disclosure of operational information (BP 17.50)
16.	<b>China:</b> Western Poverty Reduction Project	June 18, 1999	Yes	Investigation Yes	Eligibility Report Investigation Report	Disclosure of operational information (BP 17.50) Involuntary resettlement (OD 4.30) Environmental assessment (OD 4.01) Indigenous peoples (OD 4.20) Pest management (OP 4.09) Safety of dams (OP/BP 4.37) Retroactive financing (OD 12.10) Investment lending (OD 10.00)
17.	<b>Argentina:</b> Special Structural Adjustment Loan	July 26, 1999	Yes	No investigation Yes	Eligibility Report	Project supervision (OD 13.05) Poverty reduction (OD 4.15) Project monitoring and evaluation (OP/BP 10.70) Suspension of disbursements (OP/BP 13.40) Disclosure of operational information (BP 17.50)
18.	<b>Brazil:</b> Land Reform Poverty Alleviation Project, Second Request	September 14, 1999	Yes	No investigation Yes	Eligibility Report	Poverty reduction (OD 4.15) Project supervision (OD 13.05) Disclosure of operational information (BP 17.50)
19.	<b>Kenya:</b> Lake Victoria Environmental Management Project	October 12, 1999	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OD 4.01) Poverty reduction (OD 4.15) Economic evaluation of investment projects (OP 10.04) Project supervision (OD 13.05)
20.	<b>Ecuador:</b> Mining Development and Environmental Control Technical Assistance Project	December 13, 1999	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OD 4.01) Wildlands (OPN 11.02) Indigenous peoples (OD 4.20) Project supervision (OD 13.05)
21.	<b>India:</b> NTPC Power Generation Project, Second Request	November 27, 2000	No	—	—	Involuntary resettlement (OD 4.30) Project supervision (OD 13.05) Environmental assessment (OD 4.01)
22.	<b>Chad:</b> Petroleum Development and Pipeline Project, Management of the Petroleum Economy Project, and Petroleum Sector Management Capacity Building Project	March 22, 2001	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OD 4.01) Natural habitats (OP/BP 4.04) Pest management (OP 4.09) Poverty reduction (OD 4.15) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Forestry (OP 4.36) Disclosure of operational information (BP 17.50) Economic evaluation of investment operations (OP 10.04) Management of cultural property in Bank-financed projects (OPN 11.03) Project supervision (OD 13.05)



	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
23.	<b>India:</b> Coal Sector Environmental and Social Mitigation Project and Coal Sector Rehabilitation Project	June 21, 2001	Yes	Investigation Yes	Eligibility Report Investigation Report  (BP 17.50)	Environmental assessment (OD 4.01) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Disclosure of operational information  Management of cultural property in Bank-financed projects (OPN 11.03) Project supervision (OD 13.05)
24.	<b>Uganda:</b> Third Power Project, Fourth Power Project, and proposed Bujagali Hydropower Project	July 27, 2001	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OD/OP 4.01) Natural habitats (OP 4.04) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Safety of dams (OP 4.37) Management of cultural property in Bank-financed projects (OPN 11.03) Economic evaluation of investment operations (OP 10.04) Poverty reduction (OD 4.15) Disclosure of operational information (BP 17.50) Project monitoring and evaluation (OD 10.70) Project supervision (OD 13.05)
25.	<b>Papua New Guinea:</b> Governance Promotion Adjustment Loan	December 6, 2001	Yes	No investigation Yes	Eligibility Report	Forestry (OP 4.36) Adjustment lending policy (OD 8.60) Project supervision (OD/OP/BP 13.05)
26.	<b>Paraguay/Argentina:</b> Reform Project for the Water and Telecommunication Sectors, SEGBA V Power Distribution Project (Yacyretá 2002)	May 17, 2002	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental policy for dam and reservoir projects (OD 4.00, Annex B) Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Project supervision (OD/OP/BP 13.05) Project monitoring and evaluation (OD 10.70) Suspension of disbursements (OD 13.40)
27.	<b>Cameroon:</b> Petroleum Development and Pipeline Project, and Petroleum Environment Capacity Enhancement Project	September 25, 2002	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OD 4.01) Natural habitats (OP/BP 4.04) Poverty reduction (OD 4.15) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Disclosure of operational information (BP 17.50) Project supervision (OD 13.05)
28.	<b>Philippines:</b> Manila Second Sewerage Project (MSSP)	September 26, 2003	Yes	No recommendation, as the Requesters failed to satisfy a procedural criterion—that is, that the Requesters had brought the subject matter to Management's attention and that, in the Requester's view, Management failed to respond adequately. Yes	Eligibility Report	Environmental assessment (OD 4.01) Economic evaluation of investment operations (OP 10.04) Disclosure of operational information (BP 17.50) Project supervision (OD 13.05)
29.	<b>Cameroon:</b> Petroleum Development and Pipeline Project	November 26, 2003	No	—	—	Involuntary resettlement (OD 4.30)
30.	<b>Mexico:</b> Indigenous and Community Biodiversity Project (COINBIO)	January 26, 2004	Yes	In fairness to all parties concerned, the Panel could not take a position on whether the Request merits an investigation and awaits further developments. Yes	Eligibility Report	Indigenous peoples (OD 4.20) Project supervision (OD/OP/BP 13.05)

	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
31.	<b>Colombia:</b> Cartagena Water Supply, Sewerage, and Environmental Management Project	April 20, 2004	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OD 4.01) Natural habitats (OP/BP 4.04) Water resources management (OD 4.07) Poverty reduction (OD 4.15) Indigenous peoples (OD 4.20) Financial management (OD 10.02) Economic evaluation of investment operations (OP 10.04) Project supervision (OD/OP/BP 13.05)
32.	<b>India:</b> Mumbai Urban Transport Project	April 28, 2004	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OP/BP 4.01)
33.		June 29, 2004	Yes			Involuntary resettlement (OD 4.30) Disclosure of information (January 2002) Project supervision (OP/BP 13.05)
34.	<b>Burundi:</b> Public Works and Employment Creation Project	September 17, 2004	No	—	—	Environmental assessment (OD 4.01) Natural habitats (OP 4.04) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Management of cultural property in Bank-financed projects (OPN 11.03)
35.	<b>Pakistan:</b> National Drainage Program Project	September 10, 2004	Yes	Investigation Yes	Eligibility Report Investigation Report	Project supervision (OP/BP 13.05) Procurement (OP/BP 11.00)
36.	<b>Cambodia:</b> Forest Concession Management and Control Pilot Project	January 28, 2005	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OP/BP 4.01) Natural habitats—1995 (OP/BP 4.04) Management of cultural property in Bank-financed projects (OPN 11.03) Indigenous peoples (OD 4.20) Forestry (OP/BP 4.36) Technical assistance (OP/BP 8.40) Project supervision (OP/BP 13.05) Disclosure of operational information (BP 17.50)
37.	<b>Democratic Republic of Congo:</b> Transitional Support for Economic Recovery Grant and Emergency Economic and Social Reunification Support Project	November 19, 2005	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Poverty reduction (OD 4.15) Indigenous peoples (OD 4.20) Forestry (OP/BP 4.36) Emergency recovery assistance (OP/BP 8.50) Management of cultural property in Bank-financed projects (OPN 11.03) Project supervision (OP/BP 13.05) Disclosure of information (January 2002)
38.	<b>Honduras:</b> Land Administration Project	January 3, 2006	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Tribal people in Bank-financed projects (OMS 2.34) Indigenous peoples (OD 4.20) Indigenous peoples (OP/BP 4.10) Project supervision (OD/OP/BP 13.05) Disclosure of operational information (BP 17.50)

Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
39. <b>Romania:</b> Mine Closure	January 6, 2006	Yes	In fairness to all parties concerned, the Panel could not take a position on whether the Request merited an investigation. Later the Panel closed the Request and Requesters indicated their problems were satisfactorily resolved. Yes	Eligibility Report Inspection Panel Recommendation	Environmental assessment (OD 4.01) Project supervision (OD/OP/BP 13.05) Disclosure of information (January 2002)
40. <b>Nigeria:</b> West African Gas Pipeline Project	April 27, 2006	Yes	Investigation Yes	First Eligibility Report Final Eligibility Report Investigation Report	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Poverty reduction (OD 4.15) Economic evaluation of investment operations (OP/BP 10.04) Project supervision (OP/BP 13.05) Disclosure of information (January 2002)
41. <b>Brazil:</b> Paraná Biodiversity Project	July 10, 2006	Yes	No investigation Yes	First Eligibility Report Final Eligibility Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Forestry—1993 (OP/BP 4.36) Project supervision (OP/BP 13.05)
42. <b>Argentina:</b> Santa Fe Infrastructure Project and	August 28, 2006	Yes	No recommendation, as the Requesters failed to satisfy a procedural criterion—that is, that the Requesters had brought the subject matter to Management's attention and that, in the Requester's view, Management failed to respond adequately. Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Disclosure of information (January 2002)
43. Provincial Road Infrastructure Project	September 21, 2006	Yes			
44. <b>Uganda:</b> Private Power Generation Project	March 5, 2007	Yes	Investigation Yes	Eligibility Report Investigation Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Environmental action plans (OP 4.02) Water resource management (OP 4.07) Indigenous peoples (OP/BP 4.10) Physical cultural resources (OP/BP 4.11) Involuntary resettlement (OP/BP 4.12) Safety of dams (OP 4.37) Projects on international waterways (OP/BP 7.50) Economic evaluation of investment operations (OP/BP 10.04) Poverty reduction (OP 1.00) Disclosure of information (January 2002)
45. <b>India:</b> Uttaranchal Decentralized Watershed Development Project	March 7, 2007	Yes	In fairness to all parties concerned, the Panel could not take a position on whether the Request merits an investigation and awaits further developments. Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Poverty reduction (OD 4.15) Forests (OP/BP 4.36) Project supervision (OP/BP 13.05)

	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
46.	<b>Albania:</b> Power Sector Generation and Restructuring Project	April 30, 2007	Yes	Investigation Yes	Eligibility Report Investigation Report	Project appraisal (OMS 2.20) Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Involuntary resettlement (OP/BP 4.12) Economic evaluation of investment operations (OP/BP 10.04) Management of cultural property in Bank-financed projects (OPN 11.03) Project supervision (OP/BP 13.05)
47.	<b>Albania:</b> Integrated Coastal Zone Management and Clean-Up Project	July 30, 2007	Yes	Investigation Yes	Eligibility Report Investigation Report	Project appraisal (OMS 2.20) Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Project supervision (OP/BP 13.05) Management of cultural property in Bank-financed projects (OPN 11.03)
48.		August 13, 2007	Yes			
49.	<b>Ghana:</b> Second Urban Environment Sanitation Project (UESP II)	August 16, 2007	Yes	Investigation Yes	Eligibility Report Investigation Report	Project appraisal (OMS 2.20) Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12)
50.	<b>Cameroon:</b> Urban Development Project and Second Urban Project	September 5, 2007	No	—	—	Environmental assessment (OD 4.01) Poverty reduction (OD 4.15) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Project supervision (OD 13.05) Disclosure of operational information (BP 17.50)
51.	<b>Argentina:</b> Santa Fe Infrastructure Project and Provincial Road Infrastructure Project	September 13, 2007	Yes	Investigation Yes	Eligibility Report Investigation Report	Poverty reduction (OP 1.00) Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Project supervision (OP/BP 13.05) Disclosure of information (January 2002)
52.	<b>Colombia:</b> Bogotá Urban Services Project	October 30, 2007	Yes	No recommendation, as the Requesters failed to satisfy a procedural criterion—that is, that the Requesters had brought the subject matter to Management's attention and that, in the Requester's view, Management failed to respond adequately. Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Project supervision (OP/BP 13.05)
53.	<b>Panama:</b> Land Administration Project	February 25, 2009	Yes	Investigation Yes	Eligibility Report Investigation Report	Indigenous peoples (OD 4.20) Project supervision (OP/BP 13.05) Poverty reduction (OD 4.15) Bank financing (OP/BP 6.00) Financing severance pay in public sector reform operations (OpMemo)
56.		March 17, 2009	Yes			
54.	<b>Democratic Republic of Congo:</b> Private Sector Development and Competitiveness Project	February 25, 2009	Yes	No investigation Yes	Eligibility Report Second Eligibility Report	Poverty reduction (OD 4.15) Bank financing (OP/BP 6.00)
55.		March 13, 2009	Yes		Third and Final Eligibility Report	Financing severance pay in public sector reform operations (OpMemo)
63.			December 15, 2009	Yes		Project supervision (OP/BP 13.05) Indigenous peoples (OD 4.20)
57.	<b>Yemen:</b> Institutional Reform Development Policy Financing	April 13, 2009	Yes	No investigation Yes	First Eligibility Report Final Eligibility Report	Development policy lending (OP/BP 8.60) World Bank policy on disclosure of information (June 2002)
58.	<b>India:</b> Mumbai Urban Transport Project	May 29, 2009	Yes	No investigation Yes	Eligibility Report	Involuntary resettlement (OP 4.30) Project supervision (OP/BP 13.05)

	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
59.	<b>Kenya:</b> Export Development Project	April 21, 2009	No	—	—	Environmental assessment (OP/BP4.01) Project appraisal (OMS 2.20)
60.	<b>Cambodia:</b> Land Management and Administration Project	September 4, 2009	Yes	Investigation Yes	Eligibility Report Final Eligibility Report Investigation Report	Involuntary resettlement (OP 4.30) Project supervision (OP/BP 13.05)
61.	<b>Peru:</b> Lima Transport Project	October 1, 2009	Yes	Investigation Yes	Eligibility Report Investigation Ongoing	Environmental assessment (OP/BP 4.01) Physical cultural resources (OP/BP 4.11) Project supervision (OP/BP 13.05) Project appraisal (OMS 2.20)
62.	<b>Papua New Guinea:</b> Smallholder Agriculture Development Project	December 17, 2009	Yes	Investigation Yes	Eligibility Report Investigation Report	Poverty reduction (OP 1.00) Environmental assessment (OP/BP4.01) Indigenous peoples (OP/BP 4.10) Forests (OP/BP 4.36) Natural habitats (OP/BP 4.04) Investment lending (OP/BP 10.00) Project supervision (OP/BP 13.05) Project appraisal (OMS 2.20)
64.	<b>Pakistan:</b> Tax Administration Reform Project	December 22, 2009	Yes	No investigation Yes	Eligibility Report	Project supervision (OP/BP 13.05) Investment lending (OP/BP 10.00) Project appraisal (OMS 2.20)
65.	<b>South Africa:</b> Eskom Investment Support Project	April 6, 2010	Yes	Investigation Yes	Eligibility Report Investigation Report	Poverty reduction (OP 1.00) Piloting the use of borrower systems to address environmental and social safeguard issues in bank supported projects (OP/PB 4.00) Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Physical cultural resources (OP/BP 4.11) Involuntary resettlement (OP/BP 4.12) Projects on international waterways (OP/BP 7.50)
66.	<b>Kazakhstan:</b> South-West Roads: Western Europe-Western China International Transit Corridor	April 24, 2010	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Physical cultural resources (OP/BP 4.11) Involuntary resettlement (OP/BP 4.12) Project supervision (OP/BP 13.05) World Bank policy on disclosure of information (June 2002)
67.	<b>Chile:</b> Quilleco Hydropower Project	May 26, 2010	Yes	No investigation Yes	Eligibility Report Final Eligibility Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Involuntary resettlement (OP/BP 4.12) Indigenous peoples (OP/BP 4.10, OD 4.20) Safety of dams (OP/BP 4.37) Cultural property (OP/BP 4.11, OPN 11.03) Project supervision (OP/BP 13.05)
68.	<b>Poland:</b> Third Employment, Entrepreneurship and Human Capital Development Policy Loan	June 14, 2010	No	—	—	Disputes over defaults on external debt, expropriation, and breach of contract (OP/BP 7.40) Development policy lending (OP/BP 8.60)
69.	<b>Liberia:</b> Development Forestry Sector Management Project	September 24, 2010	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Forestry (OP 4.36) Project supervision (OP/BP 13.05)

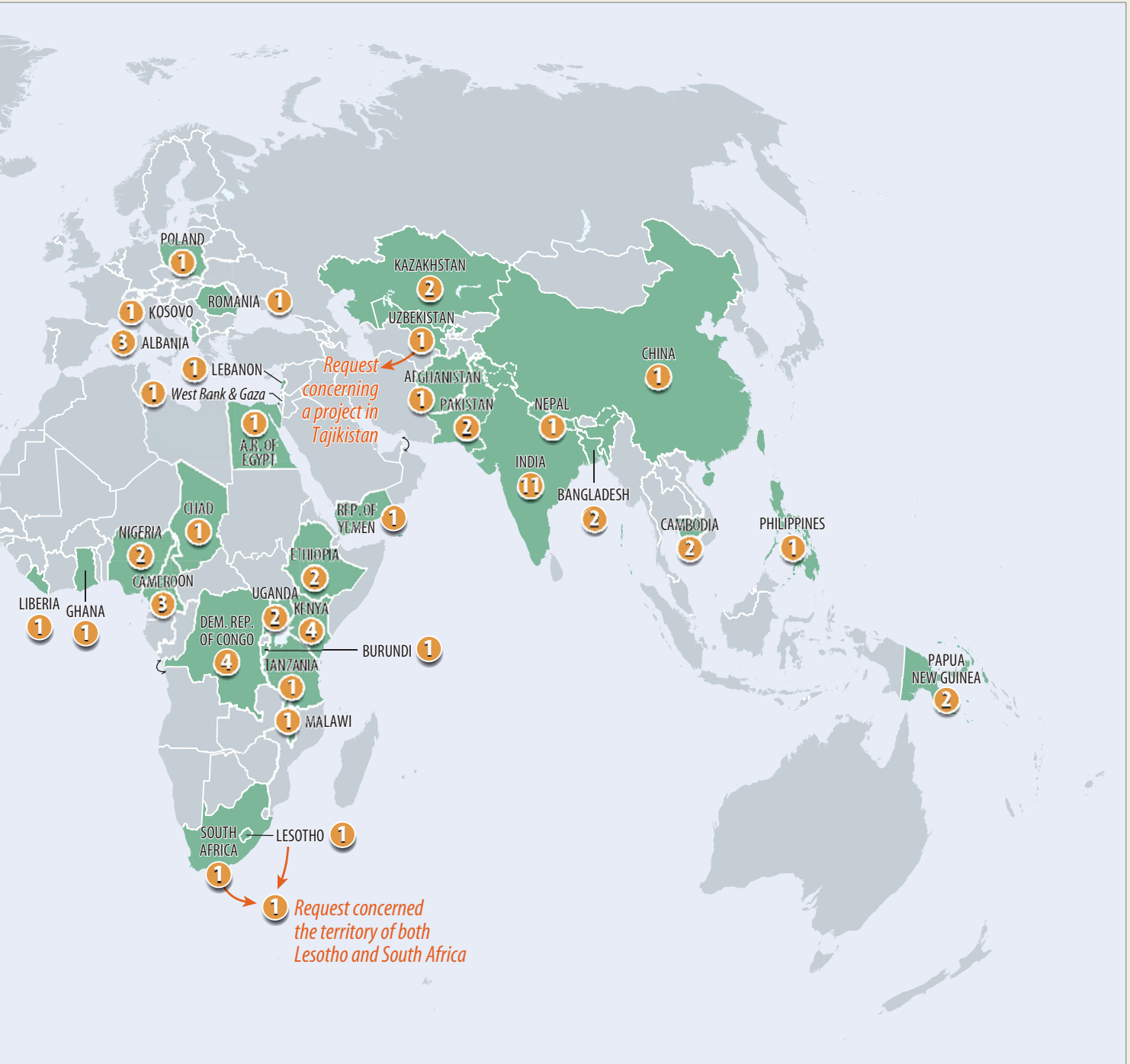
	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
70.	<b>Uzbekistan:</b> Energy Loss Reduction Project (Rogun HPP, Tajikistan)	October 8, 2010	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Involuntary resettlement (OP/BP 4.12) Safety of dams (OP/BP 4.37) Projects on international waterways (OP/BP 7.50)
71.	<b>Lebanon:</b> Greater Beirut Water Supply Project	November 4, 2010	Yes	Investigation No Following Board discussion and the commissioning by Management of specific studies, the Panel was called by the Board to review its recommendation. The Panel determined to await further developments.	Eligibility Report Inspection Panel Report—Follow-up to Board Decision	Environmental assessment (OP/BP 4.01) Project appraisal (OMS 2.20) Economic evaluation of investment operations (OP/BP 10.04) Involuntary resettlement (OP/BP 4.12) The World Bank Policy on Access to Information (July 2010)
72.	<b>India:</b> Madhya Pradesh Water Sector Restructuring Project	August 31, 2010	Yes	No investigation Yes	Eligibility Report	Poverty reduction (OP 1.00) Environmental assessment (OP/BP 4.01) Project supervision (OP/BP 13.05) Project appraisal (OMS 2.20)
75.		July 26, 2011	Yes			
73.	<b>Argentina:</b> Second Norte Grande Water Infrastructure Project	May 4, 2011	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Project appraisal (OMS 2.20) The World Bank Policy on Access to Information (July 2010)
74.	<b>Kazakhstan:</b> South-West Roads: Western Europe-Western China International Transit Corridor	August 17, 2011	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Involuntary resettlement (OP/BP 4.12) Project supervision (OP/BP 13.05) Project appraisal (OMS 2.20) World Bank Policy on Access to Information, July 1, 2010
76.	<b>West Bank/Gaza:</b> Red Sea—Dead Sea Water Conveyance Study Program	June 24, 2011	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Indigenous peoples (OP/BP 4.10) Projects on international waterways (OP/BP 7.50) Projects in disputed areas (OP/BP 7.60) The World Bank Policy on Access to Information, July 1, 2010
77.	<b>Argentina:</b> Santa Fe Infrastructure Project and Provincial Road Infrastructure	September 6, 2011	No	—	—	Environmental assessment (OP/BP 4.01) Project supervision (OP/BP 13.05)
78.	<b>Kosovo:</b> Kosovo Power Project (Proposed)	March 29, 2012	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Economic evaluation (OP/BP 10.04) Project appraisal (OMS 2.20)
79.	<b>Kenya:</b> Energy Sector Recovery Project	May 10, 2012	Yes	No investigation Yes	Eligibility Report	Project appraisal (OMS 2.20) Environmental assessment (OP/BP 4.01) Project supervision (OP/BP 13.05)
80.	<b>India:</b> Improving Rural Livelihoods through Carbon Sequestration	April 23, 2012	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Indigenous peoples (OP/BP 4.10) Project supervision (OP/BP 13.05) Trust funds (OP/BP 14.40)

	Request	Request Received	Request Registered	Inspection Panel Recommendation and Its Approval by the Board	Panel's Activity	Policies and Procedures Raised by the Request for Inspection
81.	<b>India:</b> Vishnugad Pipalkoti Hydro Electric Project	July 23, 2012	Yes	Investigation Yes	Eligibility Report	Physical cultural resources (OP/BP 4.11) Environmental assessment (OP/BP 4.01) Natural habitats (OP/BP 4.04) Forests (OP/BP 4.36) Safety of dams (OP/BP 4.37) Economic evaluation of investment operations (OP/BP 10.04) Project appraisal (OMS 2.20)
82.	<b>Ethiopia:</b> Protection of Basic Services Program Phase II (Additional Financing) and Promoting Basic Services Phase III Project	September 24, 2012	Yes	—	Eligibility Report	Indigenous peoples (OP/BP 4.10) Involuntary resettlement (OP/BP 4.12) Economic evaluation of investment operations (OP/BP 10.04) Project appraisal (OMS 2.20) Project supervision (OP/BP 13.05)
83.	<b>Afghanistan:</b> Sustainable Development of Natural Resources (Additional Financing) and Sustainable Development of Natural Resources II Projects	December 3, 2012 December 6, 2012	Yes	No investigation Yes	Eligibility Report	Project supervision (OP/BP 13.05) Rapid response to crises and emergencies (OP 8.00) Involving non-governmental organizations in Bank-supported activities (GP 14.70) World Bank Policy on Disclosure of Information (June 2002) Environmental assessment (OP 4.01) Environmental action plans (OP 4.02) Natural habitats (OP/BP 4.04) Projects on international waterways (OP/BP 7.50) Water resources management (OP 4.07) Involuntary resettlement (OP/BP 4.12) Indigenous peoples (OP/BP 4.10) Projects in disputed areas (OP/BP 7.60) Physical cultural resources (OP/BP 4.11)
84.	<b>Kenya:</b> Natural Resource Management Project	January 14, 2013	Yes	Investigation Yes	Eligibility Report	Indigenous peoples (OP/BP 4.10) Involuntary resettlement (OP/BP 4.12)
85.	<b>Egypt:</b> Giza North Power Project	February 21, 2013	Yes	No investigation Yes	Eligibility Report	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12)
86.	<b>Malawi:</b> Second National Water Development Project—Additional Financing	May 22, 2013	No	—	—	Poverty reduction (OP 1.00) Environmental assessment (OP/BP 4.01) Water resources management (OP 4.07) Environmental action plans (OP 4.02) Gender and Development (OP 4.20)

## GEOGRAPHICAL DISTRIBUTION OF REQUESTS FOR INSPECTION

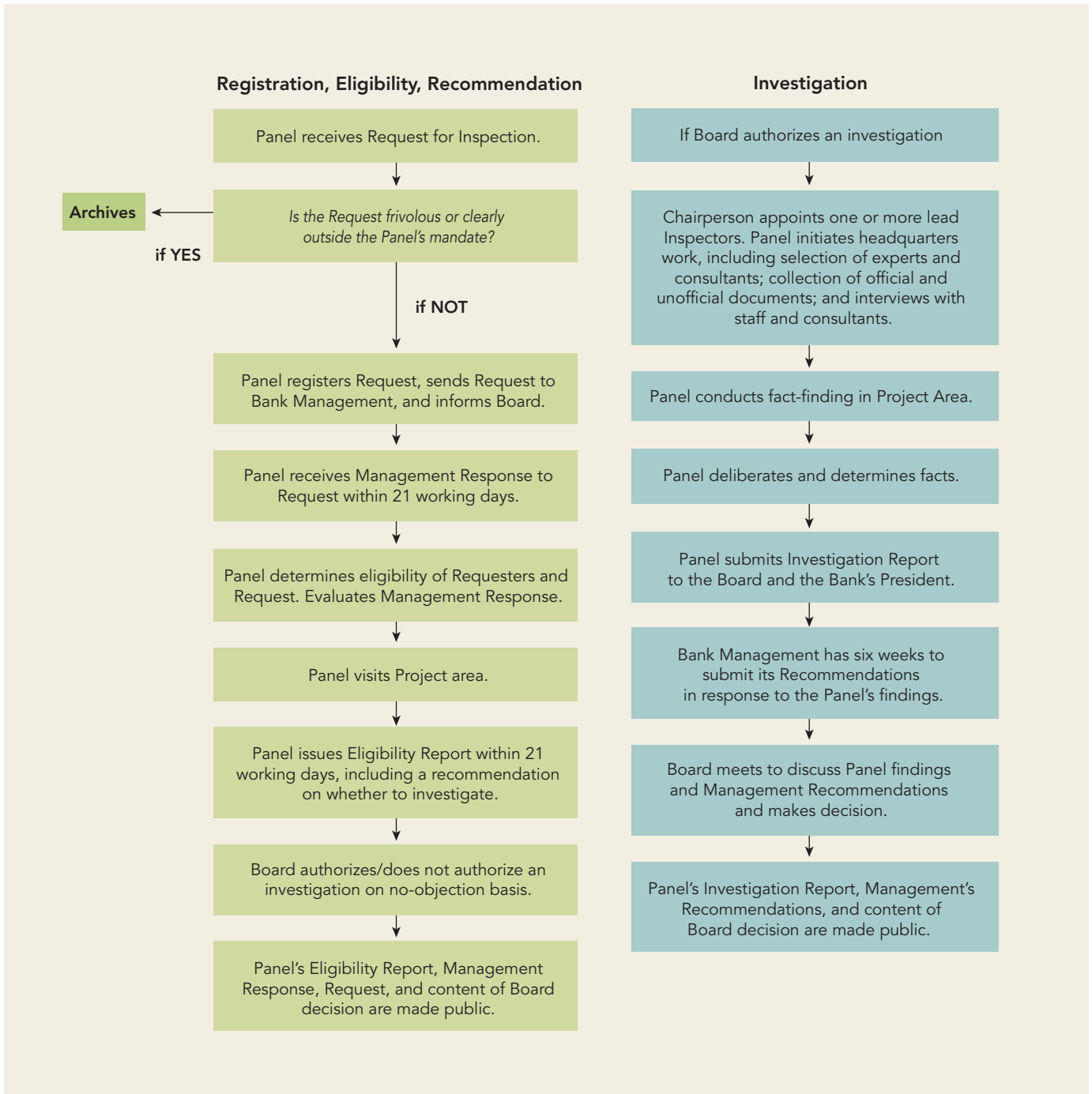




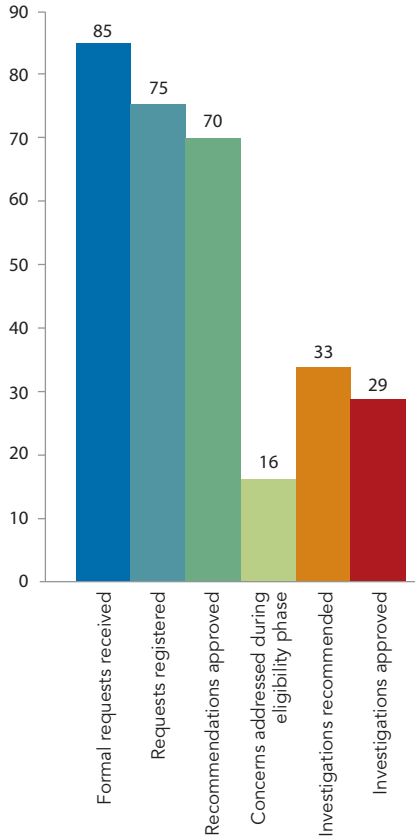


## FIGURES

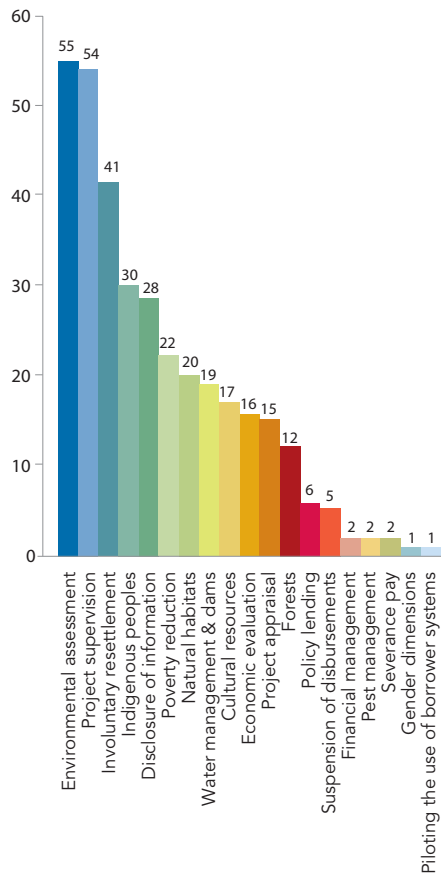
### Inspection Panel Process



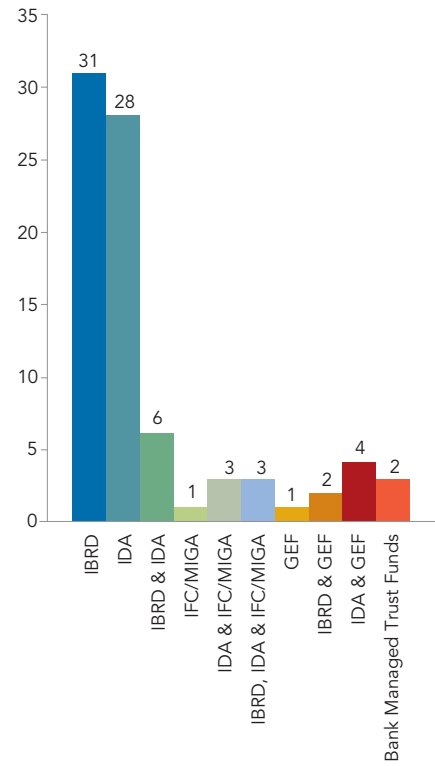
### Requests Received As of June 2013



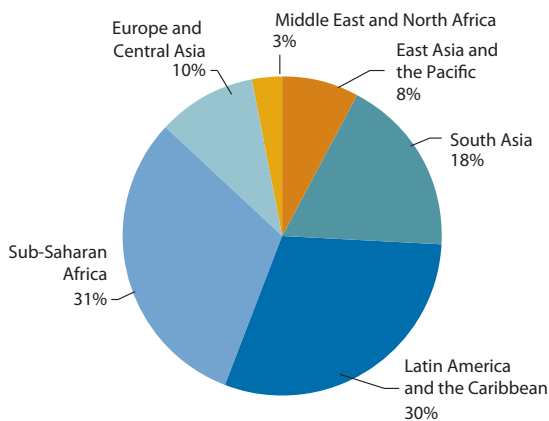
### Policy-Related Issues Most Often Raised in Requests As of June 2013



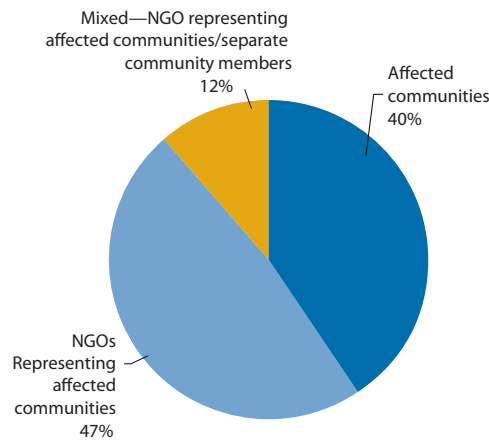
### Financing for Projects Subject to Requests As of June 2013



### Percentage of Requests Received per Region As of June 2013



### Description of Requestors As of June 2013



Note: Mixed = The Request was made by an NGO on behalf of some of the affected community. Unrepresented individuals were also part of the Request.

NGOs Representing Affected Communities = The Request was made by an NGO on behalf of the affected community.

Affected Communities = The Request was brought directly by members of the affected community.



A view of the Alaknanda River in the Chamoli district, Vishnugad Pipalkoti Hydro Electric Project, India.



# *Appendices*

APPENDIX I  
Biographies of the Panel Members and the Executive Secretary

APPENDIX II  
Guidance on How to Prepare a Request for Inspection

APPENDIX III  
The Inspection Panel Budget (July 1, 2012–June 30, 2013)

## BIOGRAPHIES OF THE PANEL MEMBERS AND THE EXECUTIVE SECRETARY



**Ms. Eimi Watanabe**, a Japanese national, was appointed to the Inspection Panel in November 2009 and assumed the responsibility of Chairperson of the Inspection Panel on May 1, 2013, succeeding Mr. Alf Jerve. Ms. Watanabe brings to the Panel more than 30 years of experience in the field of development. Throughout her career, Ms. Watanabe has demonstrated a commitment to applying analytical participatory approaches to development programs, and she has a strong record of experience in working col-

laboratively with civil society organizations, governments, and other development organizations. A sociologist by training, she has been involved in a wide range of substantive areas—at the project and policy levels—including poverty reduction, gender, child health and nutrition, governance, capacity development, the environment, and migration. From 1998 to 2001 she served as Assistant Secretary General and Director of the UNDP's Bureau for Development Policy. Prior to that position she was UN Resident Coordinator and UNDP Resident Representative in Bangladesh, and UNICEF Representative in India. Recently she has served as a member of the Strategic and Audit Advisory Committee of the United Nations Office for Project Services (UNOPS). Ms. Watanabe earned a PhD from the London School of Economics and received her BA in sociology from the International Christian University in Tokyo.



**Mr. Alf Jerve** joined the Panel in November 2008 and assumed the responsibility of Chairperson of the Inspection Panel from February 1, 2012, to April 30, 2013. A national of Norway, Alf Jerve brings to the Panel close to three decades of work in the field of development. As a social anthropologist by training, he has engaged in a wide range of development activities, including extensive field research in Africa and Asia. Among his assignments was a three-year posting to

Tanzania with the Norwegian Agency for Development Cooperation as coordinator of a rural development program. From 1993 to 1995 he was responsible for resettlement and rehabilitation issues with projects in Bangladesh, during an assignment with the World Bank. In 1995 he became Assistant Director, and served as Director in 2005 and 2006, at the Christian Michelsen Institute in Norway, an internationally recognized development research institution. There he also devoted his energies and expertise to research and analysis of policy and program issues affecting people in developing countries. Over the years, Mr. Jerve also has led and participated in numerous independent evaluations commissioned by bilateral and multilateral development agencies and served as a Member of the Roster of Experts for the Asian Development Bank's Inspection Function. He earned his magister degree in social anthropology from the University of Bergen, and his bachelor's degree is in the areas of environmental science and biology. His publications have focused on rural development, decentralization, and poverty reduction, and most recently on issues of ownership in development aid cooperation.



**Ms. Zeinab Bashir El Bakri** was appointed as a new Member of the Inspection Panel on September 1, 2012. She replaced Mr. Roberto Lenton, whose five-year term expired on August 31, 2012. Ms. El Bakri, a national of Sudan, brings to the Panel more than 20 years of development experience. She built a distinguished and broad career at the African Development Bank (AfDB), where her last position was Vice President of Operations from 2006 to 2009. In addition, between 1991 and 2005, she served in

a number of positions at AfDB spanning multiple regions of Africa. She focused on portfolios that included social development, gender, agriculture and agro-industry, climate change, and governance, gaining expertise in policy development and operations. After leaving AfDB, she was appointed Director of the Delivery Unit for the Office of His Highness the Prime Minister of Kuwait, responsible for ensuring delivery of reform initiatives. She holds a PhD in sociology and anthropology from Hull University and received her MA and BA in sociology from the American University in Cairo.



**Mr. Peter Louis Lallas**, a United States national, became the Inspection Panel's Executive Secretary in January 2007, following the retirement of longtime Executive Secretary Mr. Eduardo Abbott. Mr. Lallas has over two decades of experience in the fields of international cooperation, law, and development, working in a variety of institutions, settings, and countries. He has held the position of legal adviser on international law and organizations in the United Nations Food and Agriculture Organization (FAO) in

Rome. He was also the Director of the International Environmental Law Office of the U.S. Environmental Protection Agency (EPA), in Washington, D.C. Before that he worked in the European Commission in Brussels; and in a Brussels practice in international law, trade law, and European Community law. Mr. Lallas served as the Inspection Panel's Deputy Executive Secretary prior to becoming Executive Secretary. He holds a JD from Harvard University Law School (1986) and a BA in economics with distinction and honors from Stanford University (1981). Over the years, Mr. Lallas has taught on international law and policy issues, including as an adjunct professor on international environmental policy in the Masters of Science Program of Georgetown University. He has written and cowritten a number of publications on international law, cooperation, and sustainable development.

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## GUIDANCE ON HOW TO PREPARE A REQUEST FOR INSPECTION

The Inspection Panel needs some basic information in order to process a Request for Inspection:

1. Name, contact address, and telephone number of the group or people making the request (or their representatives).
2. Name and description of the Bank project.
3. Adverse effects of the Bank project.
4. If you are a representative of affected people please attach an affidavit authorizing you to act on their behalf (a simple handwritten document is sufficient).
4. Are you familiar with Bank policies and procedures that apply to this type of project? How do you believe the Bank may have violated them? Knowledge of Bank Policies and Procedures is not a requirement.
5. Has the Bank been contacted about the project in regards to the issues raised? Please provide information about all such known contacts, and the responses, if any. The issues raised in the Request must have been raised with Bank Management *before* a Request for Inspection is filed.

The Inspection Panel will need answers to the following basic key questions:

1. Is this Request being submitted with confidentiality attached? Are any signatories of the Request requesting confidentiality?
2. What is the nature and extent of the damage caused by the project to you or those you represent?
3. In what way would the Bank's actions or omissions, in the context of the project, affect you adversely? How can this be determined?

6. If you know that the Panel has dealt with this matter before, do you have any new facts or evidence to submit?

Please provide a summary of this information. Attach to the Request for Inspection any additional documentation you believe is necessary. Please list these attachments in your summary.

*You may wish to use the attached model form.*



**MODEL FORM:  
REQUEST FOR INSPECTION**

To: Executive Secretary, The Inspection Panel  
1818 H Street NW, MSN 10-1007, Washington, DC 20433, USA  
Fax No.: 202-522-0916; Email: [ipanel@WorldBank.org](mailto:ipanel@WorldBank.org)  
or The appropriate World Bank Country/Regional Office

1. We **[insert names]** live and/or represent others who live in the area known as **[insert name of area]**. Our addresses are attached. (We **[do/do not]** authorize you to disclose our identities.).
2. We have suffered, or are likely to suffer, harm as a result of the World Bank's failures or omissions in the **[insert name and/or brief description of the project or program]** located in **[insert location/country]**.
3. **[Describe the damage or harm you are suffering or are likely to suffer from the project or program.]**
  
4. **[List (if known) the World Bank's operational policies you believe have not been observed.]**
  
5. Our complaints have been raised with World Bank staff on the following occasions **[list dates]** by **[explain how the complaint was made]**. No response was received, **[or]** we believe that the response received is not satisfactory as it does not answer or solve our problems for the following reasons:
  
6. We request that the Inspection Panel recommend to the World Bank's Executive Directors that an investigation of these matters be carried out.

Signatures: \_\_\_\_\_

Date: \_\_\_\_\_

Contact address, telephone number, fax number, and e-mail address:

\_\_\_\_\_

List of attachments

We **[do/do not]** authorize you to disclose our identities.

APPENDIX III

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## THE INSPECTION PANEL BUDGET

JULY 1, 2012–JUNE 30, 2013

Salaries <sup>(a)</sup>	\$1,347,229
Benefits <sup>(a)</sup>	673,467
Communications and IT Services	108,480
Office Occupancy	180,072
Equipment and Building Services	13,330
Temporaries	31,966
Consultants <sup>(b)</sup>	377,416
Travel	400,611
Representation and Hospitality	3,929
Publications	80,097
Contractual Services	39,276
Other Expenses	5,866
<b>Total Budget Spent</b>	<b>\$3,261,739</b>
<b>Total Budget Received</b>	<b>\$3,556,091</b>

Note: Numbers may not add to totals due to rounding.

<sup>(a)</sup> Includes salaries and benefits for Chairperson and five-months full-time Panel Member

<sup>(b)</sup> Includes one Panel Member fees for entire fiscal year and another Panel Member (until position became full-time)



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and Development / The World Bank  
1818 H Street NW  
Washington, DC 20433  
Telephone: 202-473-1000  
Internet: [www.worldbank.org](http://www.worldbank.org)

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The Inspection Panel 

1818 H Street, NW  
Washington, DC 20433 USA

Telephone: 202.458.5200  
Facsimile: 202.522.0916  
E-mail: [ipanel@worldbank.org](mailto:ipanel@worldbank.org)  
Internet: [www.inspectionpanel.org](http://www.inspectionpanel.org)



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