

THE INSPECTION PANEL



ANNUAL REPORT

July 1, 2009, to June 30, 2010

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International Bank for Reconstruction and Development
International Development Association

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ABBREVIATIONS

ACEE	Accessibility, Credibility, Effectiveness, and Efficiency
AESNP	AES Nile Power
AfDB	African Development Bank
BP	Bank Procedures
CAMV	Centre d'Accompagnement des Autochtones Pygmées et Minoritaires Vulnérables
CAO	Compliance Advisor/Ombudsman
CDP	Community Development Program
CIEL	Center for International Environmental Law
CODE	Committee on Development Effectiveness
COPIREP	Comité de Pilotage de la Réforme des Entreprises Publiques
CRMU	Compliance Review and Mediation Unit
DfID	Department for International Development
DRC	Democratic Republic of Congo
EA	Environmental Assessment
ED	Executive Director
EESRSP	Emergency Economic and Social Reunification Support Project
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EIS	Environmental Impact Study
ELPS	Escravos-Lagos Pipeline System
EMP	Environmental Management Plan
ESA	Environmental and Social Assessment
ESSF	Environmental and Social Safeguards Framework
FOEI	Friends of the Earth International
GDP	Gross Domestic Product
GP	Good Practices
IAP	International Accountability Project
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IFI	International Financial Institutions
ILO	International Labour Organization
IP	Inspection Panel
MDB	Multilateral Development Bank
MIGA	Multilateral Investment Guarantee Agency
MMRDA	Mumbai Metropolitan Region Development Authority
MUTP	Mumbai Urban Transport Project
MW	Megawatt

NAPE	National Association of Professional Environmentalists
NDP	National Drainage Program
NGO	Non-Governmental Organization
NTPC	National Thermal Power Corporation
OD	Operation Directive
OMS	Operational Manual Statement
OP	Operational Policy
OpMemo	Operational Memoranda
OPN	Operational Policy Note
PAD	Project Appraisal Document
PRONAT	Programa Nacional de Administración de Tierras
PSF	Province of Santa Fe
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SCDP	Southern Coastal Development Plan
TEPP	Thermal Electric Power Plant
TSERO	Transitional Support for Economic Recovery Operation
UESP	Urban Environmental Sanitation Project
UESP II	Second Urban Environment Sanitation Project
UN	United Nations
U.S.	United States of America
USOA	United Shop Owners Association
VDP	Voluntary Departure Program
VDO	Voluntary Departures Operation
WAGP	West Africa Gas Pipeline
WAPCo	West Africa Gas Pipeline Company Limited
WB	World Bank
WBG	World Bank Group

LETTER OF TRANSMITTAL

The Annual Report of the Inspection Panel for the period July 1, 2009, to June 30, 2010, has been prepared for the International Bank for Reconstruction and Development and the International Development Association 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. The Panel also thanks Mr. Robert B. Zoellick, the President of the World Bank Group, and Senior Management for their continued support of the Panel as an essential element in ensuring accountability and transparency by the World Bank. The Panel is also grateful for the continued support of civil society and for their efforts in promoting accountability and transparency. The Panel also expresses special appreciation to Requesters and to Bank staff for their constructive cooperation throughout the Panel process.

Roberto Lenton
Chairperson
June 30, 2010

The Inspection Panel consists of three members who are appointed by the Board for nonrenewable periods of five years. As provided for in the Resolution that established the Panel, members are selected on the basis of their ability to deal thoroughly and fairly with the Requests brought to them, their integrity, their independence from Bank Management, and their exposure to developmental issues and to living conditions in developing countries. A Panel member is disqualified from participating in the investigation of any Request related to a matter in which he or she has a personal interest or had significant involvement in any capacity. Panel members may be removed from office for cause, only by decision of the Executive Directors.

The Panel's structure and operations further safeguard its independence. It is functionally independent of Bank Management, and reports solely to the Board. In addition, Panel members are prohibited from ever working for the Bank after their term ends.

Current Members: The members of the Panel are Roberto Lenton (member since September 2007), Alf Jerve (member since November 2008), and Eimi Watanabe (member since October 2009). Panel members are required to select their chairperson annually. The present chairperson is Mr. Roberto Lenton. The chairperson of the Panel works full time, while the two other Panel members work on a part-time basis as the need arises.

Former Members: Richard Bissell (1994–97), Alvaro Umaña (1994–98), Ernst-Günther Bröder (1994–99), Jim MacNeill (1997–02), Edward Ayensu (1998–03), Maartje van Putten (1999–04), Edith Brown Weiss (2002–07), Tongroj Onchan (2003–2008), and Werner Kiene (2004–09).

Secretariat: The Panel has a permanent Secretariat, headed by Executive Secretary Peter L. Lallas. The office also consists of Deputy Executive Secretary Dilek Barlas; Senior Operations Officers Serge Selwan and Tatiana Tassoni; Operations Officer Mishka Zaman; Senior Executive Assistant Francine Coscolluela; Program Assistants Luis Schunk and Robert Dickerson; and Institutional Consultant Eduardo Abbott. The Secretariat provides administrative and operational support to the Chairperson and Panel members, and assists the Panel in the processing of Requests, in conducting investigations, as well as in 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 members of the Panel.

MESSAGE FROM THE PANEL

The Inspection Panel exists to provide opportunities to people and communities affected by World Bank financed Projects to receive answers to their concerns. The past fiscal year was the Panel's 16th year of operations, and one of its busiest. The Panel received nine new Requests for Inspection, concluded two investigations, and initiated four new ones. The Projects that have been the subject of these Requests have focused on a range of sectors, from land and tax administration, institutional reform and private sector development to urban transport, energy generation, and agricultural development.

In this Annual Report, covering the period from July 1, 2009, to June 30, 2010, we provide details of the Panel processes dealing with the 12 active cases during this period involving both compliance review and problem solving.

MORE ATTENTION TO PROBLEM SOLVING

Importantly, in many of these cases, the Panel not only assessed policy compliance but also, through the various stages of the Panel process, strengthened efforts to address grievances of affected people and communities. The new Requests received—two from Africa, four from Asia and the Pacific, and two from Latin America—were as follows:

- ***Democratic Republic of Congo***—Private Sector Development and Competitiveness Project: During the previous fiscal year, the Panel had received two Requests for Inspection related to this Project. In December 2009, the Panel received a third Request. All three Requests raised similar issues of non-compliance and harm relating to severance packages and reintegration measures for retrenched workers in parastatal companies (mining and banking), and the Panel is processing all three Requests simultaneously. In its most recent report to the Board, the Panel recommended providing Management additional time to implement a proposed Action Plan which includes supporting Government in the establishment of a mechanism for renegotiating worker's claims, certification of what public enterprises owe to their employees, and reform of the national social security system. By February 2011, the Panel will report back to the Board on Management's progress and will determine whether an investigation is warranted.
- ***South Africa***—Eskom Investment Support Project: In April 2010, the Inspection Panel received a Request from community members living in the project area in Lephalale in Limpopo Province, South Africa. The Requesters contend that people living in the area of the Medupi Coal Fired Power Plant, a component of the Project, will

be detrimentally affected by the Project. The Panel submitted its Report and Recommendation (Eligibility Report) to the Board in late June 2010, and on July 29 the Board approved an investigation of those issues raised in the Request that relate to allegations of violations of World Bank operational policies and procedures.

- *Cambodia*—Land Management and Administration Project: In September 2009, the Panel received a Request claiming that affected people were denied their rights to have land claims adjudicated under the Project and were later evicted from their homes in violation of Bank policy. After providing an initial period for further dialogue between the Government of Cambodia and Bank Management, the Panel recommended that a full investigation be carried out of issues raised in the Request. The Board approved the investigation, which is underway.
- *Papua New Guinea*—Smallholder Agricultural Development Project: In December 2009, the Panel received a Request submitted by the Ahora/Kakandetta Pressure Group, affected customary land owners from the Oro Province, and affected smallholders in one of the three Project areas through the Center for Environmental Law and Community Rights in Papua New Guinea which acted as their representative. The Requesters claim that oil palm development supported by the Project will cause various harms, including water pollution and forest degradation. Following the Request, Management initiated action to address some of the issues raised in the Request, including a detailed study on the effluents from the mills, and making information readily available in the local language. The Board approved the investigation, which is ongoing.
- *Pakistan*—Tax Administration Reform Project: In December 2009, the Panel received a Request submitted by members of the Officers of Customs and Excise Group Association in Pakistan. The Requesters claim that they were being harmed by the new organizational service structure being developed under the Project. After reviewing Bank Management’s proposed supplemental steps to address the Requesters’ concerns, as well as the nature of the claims in light of Bank’s operational policies, the Panel submitted its report to the Board in March 2010 and recommended that no investigation be undertaken.
- *Kazakhstan*—South-West Roads: Western Europe-Western China International Transit Corridor: Between February and April 2010, the Panel received written communications from residents of a settlement in the city of Turkestan in Kazakhstan. The Request raised concerns that, as designed, road upgrading would affect a residential area through pollution and noise, and may endanger the safety of school children crossing the road. Following the Request, Management and the Government proposed to modify the road design, and in June 2010 the Requesters conveyed to the Panel that their issues had been resolved. The Panel recommended to the Board that no investigation should be undertaken.
- *Peru*—Lima Transport Project: In October 2009, the Panel received a Request submitted by residents of the district of Barranco in the city of Lima, claiming that the new bus rapid transit system financed under the project would cause serious and permanent damage. Following an eligibility visit to Lima, in December 2009 the Board

approved a Panel recommendation to investigate the claims raised by the Requesters. Management has initiated, among other steps, a traffic management study to help address some of the problems raised by the Request. The investigation is underway.

- *Chile*—Quilleco Hydropower Project: In April 2010, the Panel received a Request from residents of the river basin in which the Project is located raising concerns that the region where they live has been, and will be, negatively impacted by the Project. The Panel is in the course of preparing a Report and Recommendation to the Board.

During the past fiscal year, the Panel also submitted investigation reports on two investigations that arose from Requests in previous periods. These were:

- *Albania*—Power Sector Generation and Restructuring Project: The investigation on this Project related to a number of environmental, social, cultural, and economic concerns from the Project’s design and the Bank’s consultation policy requirements that had been raised in the Request. In October 2009, the Board met to discuss Management’s Action Plan and Response to the Panel investigation. The Board approved the Management Action Plan and asked Management to report back to the Board on the implementation of the Action Plan in six months’ time.
- *Argentina*—Santa Fe Road Infrastructure Project: The investigation on this Project related to concerns raised by the Requesters regarding flood risk management and adequacy of the communication and consultation process. Importantly, both before and during the course of the investigation, Management took steps to address the concerns of the Requesters. In October 2009, the Board met to discuss Management’s Action Plan and Response to the Panel investigation. The Board approved Management’s Action Plan which centers on stakeholder engagement, communication, and consultation. Upon the Bank’s request, the Province of Santa Fe agreed to conduct an analysis of the Project’s potential impacts on flooding risks downstream of Road 19.

In addition to the four new investigations mentioned, the Panel initiated one investigation based on two Requests received in the previous fiscal year:

- *Panama*—Land Administration Project: Members of two indigenous communities in Panama complained that their territorial land rights had been weakened as a consequence of the Project. In July 2009, the Panel recommended an investigation into the Requests to be initiated later in the year due to a transition in government and to allow for a period of additional problem solving. The investigation is now underway.

Finally, in one case, also submitted in the past fiscal year, the Panel’s eligibility phase was considerably extended awaiting implementation of an action plan proposed by Management:

- *Yemen*—Institutional Reform Development Policy Grant: In April 2009, the Panel received a Request from two individuals, on their own behalf and on behalf of a local nongovernmental organization (NGO), claiming that the Bank failed to comply with principles of transparency, disclosure of information and consultation with respect to the reform program supported by the grant. They contended that this failure of compliance would produce negative effects on wages, employment, and poverty

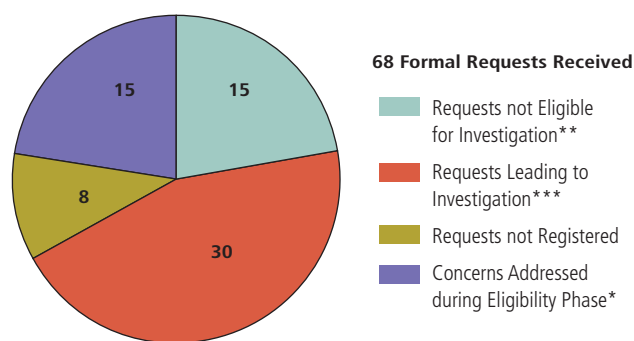
reduction. During a Board discussion following the Panel’s first Eligibility Report, Management presented an enhanced action plan. Based on this plan and the Requesters’ expressed interest in its implementation, the Panel proposed to extend the eligibility phase. The Board agreed and welcomed Bank Management’s commitment to report on progress, after which the Panel would recommend whether an investigation is warranted. Management submitted its Progress Report on June 21 2010, and the Panel is now preparing its Final Eligibility Report.

Over the past fiscal year, the Panel has shown that through its interaction with the Requesters and Management over the course of the Panel process, it encourages and provides room for problem resolution, in addition to assessing policy compliance. The ability of the Panel process to help address problems, including in the early phases of its process, can be seen in the cases in Kazakhstan, Panama, Peru, Cambodia, Argentina, and Yemen referred to above. The Panel in these cases has taken a proactive role in its interaction with Bank Management to help resolve the grievances of affected people.

The Panel process provides for problem-solving and grievance redress at three different stages. At the outset, affected people must, before submitting a request, approach Management to see if Management will address and resolve their concerns. Next, once the Panel has registered a request, during the “eligibility phase” the Panel encourages early problem solving and stays in regular contact with Requesters to foster opportunities for problem solving. In a significant number of cases, Management has submitted substantive Responses at this stage with proposed action that addresses some of the Requesters’ concerns. Finally, in cases where the Panel carries out a full investigation, the Management develops action plans to address Panel findings of noncompliance and harm. Moreover, during the course of an investigation itself there are often opportunities to address problems and bring projects into compliance with policies. Indeed, this has been a feature of the ongoing investigations in Panama, Peru, and Cambodia, as well as the completed investigation of the Santa Fe Road Infrastructure Project in Argentina.

The Panel’s overall experience at the various stages, up to and including experience in the past fiscal year, is summarized in the figure below. This shows that about half of the Panel cases led to an investigation while the rest were either resolved to the satisfaction of the Requesters during the eligibility stage, or were declared ineligible as they did not fulfill the Panel’s technical eligibility criteria. The role of the Panel process in problem-solving was further considered by the Panel in its active engagement in a self-assessment exercise carried out by the five independent oversight and accountability mechanisms of the World Bank Group and with the Independent Evaluation Group’s evaluation of the Bank’s safeguard policies, both of which created good opportunities to improving effectiveness.

PAST PANEL EXPERIENCE TO DATE



* Concerns resolved to the satisfaction of Requesters

** Includes cases in which a determination was made that an investigation was not warranted.

*** The actual number of investigations is 27 because three investigations related to projects subject to more than one Request. The investigation stage addresses the issues of both non-compliance and harm.

STRENGTHENING FOLLOW-UP

Another area in which the Panel has been focusing its efforts is in strengthening its post-Inspection role. The Panel has done this through post-Investigation follow-up visits to Requesters to explain fully the outcome of the Inspection process after the Board of Directors has considered the Panel's Investigation Report and Management's Report and Recommendation. The Panel is also keeping track of Board-mandated Management Progress Reports and sending these to Requesters when they become available, and maintaining contact with Requesters to ensure that they are kept updated on the Panel process. Requesters and civil society have expressed their hope that the Panel could be empowered to do even more in follow-up stages.

CHALLENGE: INCREASING AWARENESS

The lack of awareness of the Panel and its availability to affected people in areas where Bank Projects are underway continues to be a challenge for the effectiveness and relevance of the Panel process. The Panel sees a critical need to enhance its awareness building so that affected people know that the World Bank has an independent accountability mechanism, and that they have the right to access it.

The Panel has created a brochure available in 12 languages and it maintains its own website (www.inspectionpanel.org) and is referenced on the World Bank website. The Panel also conducts outreach to Bank staff through a brochure for staff, and meetings with Bank staff at HQs and in country offices.

During the past fiscal year, the Panel was involved in several specific outreach activities. In particular, during the 2009 Annual Meetings of the International Monetary Fund and the World Bank Group in October 2009 in Istanbul and the 2010 Spring Meetings in April 2010 in Washington, DC, the Panel hosted a series of events, including its traditional Open House, which provided an opportunity for delegates, Bank staff, and civil society to visit the Panel offices, exchange ideas, and learn more about the Panel. In addition, during these meetings it hosted two seminars to launch the Panel's major 2009 publication, *The Inspection Panel at 15 Years*, and to discuss what had been learned from Panel cases and how this could help strengthen the World Bank's development effectiveness and accountability. The Panel also participated in meetings with civil society representatives to provide an update on its work and continue dialogue on issues relating to the Panel and accountability.

The Panel participated in an outreach for civil society in Mexico City in May 2010 that was organized in partnership with the International Finance Corporation and Multilateral Investment Guarantee Agency's Compliance Advisor/Ombudsman, the Overseas Private Investment Corporation's Office of Accountability, and the recently established Independent Consultation and Investigation Mechanism of the Inter-American Development Bank. The event was hosted by the Centro Mexicano de Derecho Ambiental, a leading Mexican environmental NGO, and was attended by more than forty representatives from civil society and government agencies.

The Panel also joined accountability mechanisms from other international financial organizations at the seventh annual meeting of the group of International Accountabil-

ity Mechanisms, which was held in Tokyo in late June 2010. The meeting offered an opportunity for the mechanisms to coordinate and exchange information on experiences, challenges and best practices. The event was also an occasion for a seminar with Japanese NGOs hosted by the Asian Development Bank.

APPRECIATION

The Panel is grateful for the strong and continuous support it receives from the Board of Executive Directors. We also appreciate the cooperation we receive from the Bank's Management in the conduct of our work, particularly the support that Panel missions receive from country offices for the often-complex logistics of field investigation and the readiness and thoroughness with which Management has shared information on many occasions. Similarly, we are grateful to the many official and civil society institutions who share their observations with us.

The staff of the Panel's Secretariat deserves a particular and special mention. Their dedication to the Panel's mission plays a crucial role in ensuring the high degree of professionalism in the Panel's work and output. Similarly, we thank the Panel experts who have assisted us in our investigations for their outstanding contributions and advice.

During this past fiscal year, the Panel said farewell to Mr. Werner Kiene, whose term expired in October 2009. All of us owe Werner a debt of gratitude for the energy, commitment, and passion that he brought to the Panel as a highly appreciated member and chairperson, and especially for his leadership in promoting a stronger interactive and problem-solving approach.

Roberto Lenton, *Chairperson*

Alf Jerve, *Panel Member*

Eimi Watanabe, *Panel Member*

June 30, 2010

THE INSPECTION PANEL

The World Bank created the Inspection Panel in 1993, on the eve of its 50th anniversary, to serve as an independent mechanism to ensure accountability in Bank operations with respect to its policies and procedures.¹ It was an unprecedented act in the history of international financial institutions. Since its inception, the Panel has provided people affected by Bank-financed Projects with direct access to an international forum where their complaints can be addressed. After almost five years of the Panel's operation, in April 1999, the Board confirmed "the importance of the Panel's function, its independence and integrity."²

Subject to Board approval, the three-member Panel is empowered to investigate problems that are alleged to have arisen as a result of the Bank having failed to comply with its own operating policies and procedures. As directed by the Resolution that established the Panel, the Executive Directors reviewed the Panel's experience after two years of operations. The review was concluded on October 17, 1996, with the approval of certain Clarifications of the Resolution. In March 1998, the Board launched a second review of the Panel's operations, which ended in April 1999 with the approval of the second Clarification of the Resolution (see annexes 2, 3, and 4, respectively, for the full texts of the Resolution and the 1996 and 1999 Clarifications).

1. See Resolution No. IBRD 93-10; Resolution No. IDA 93-6, establishing "The World Bank Inspection Panel." The Panel's 1994 "Operating Procedures" provide detail to the Resolutions. For the purposes of the Inspection Panel, the World Bank comprises both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

2. *Conclusions of the Board's Second Review of the Inspection Panel* (hereinafter "1999 Clarifications"), IBRD and IDA Board of Executive Directors, April 20, 1999, at paragraph 1.

THE PANEL PROCESS

The Panel's process is straightforward. Any two or more individuals or groups of individuals who believe that they or their interests have been or are likely to be harmed by a Bank-financed Project can request that the Panel investigate their complaints. After the Panel receives a Request for Inspection, it is processed as follows:

- The Panel determines whether the Request is barred from Panel consideration.
- If not, the Panel registers the Request—an administrative procedure.
- The Panel promptly notifies the members of the Board that a Request has been received and sends the Request to them and to Bank Management.
- Bank Management has 21 working days to respond to the allegations of the Requesters.
- Upon receipt of Management's Response, the Panel conducts a review in 21 working days to determine the eligibility of the Requesters and the Request for an Investigation.
- The Panel delivers its Eligibility Report and any recommendation on an investigation to the Board for its approval on a no-objection basis.
- If the Panel does not recommend an investigation, the Board of Executive Directors may still instruct the Panel to conduct an investigation if warranted.
- After the Board's approval of the Panel's recommendation, the Requesters are notified.
- Shortly after the Board decides whether an investigation should be carried out, the Panel's Report (including the Request for Inspection and Management's Response) is publicly available at the Bank's InfoShop and the respective Bank Country Office, as well as on the Panel's Web site (<http://www.inspectionpanel.org>).
- If the Board approves the Panel's recommendation for an investigation,³ the Panel undertakes an investigation. The investigation is not time bound.
- When the Panel completes an investigation, it sends its findings on the matters alleged in the Request for Inspection to the Board and to Bank Management for its response to the Panel findings.

3. *Conclusions of the Board's Second Review of the Inspection Panel*, paragraph 9: "If the Panel so recommends, the Board will authorize an investigation without making judgment on the merits of the claimant's request..." See 1999 Clarifications, available at the Inspection Panel's homepage (<http://www.inspectionpanel.org>) and included in annex 5 of this report.

- Bank Management then has six weeks to submit its recommendations to the Board on what, if any, actions the Bank intends to take in response to the Panel's findings.
- The Board then takes the final decision on what should be done based on the Panel's findings and Bank Management's recommendations.
- Shortly after the Board's decision, the Panel's Report and Management's Recommendation are publicly available through the Inspection Panel's Web site and Secretariat, the Bank's InfoShop, and the respective Country Office.
- The Panel's Report, Management's Response, and the press release concerning the Board's decision are posted on the Panel's Web site (<http://www.inspectionpanel.org>).

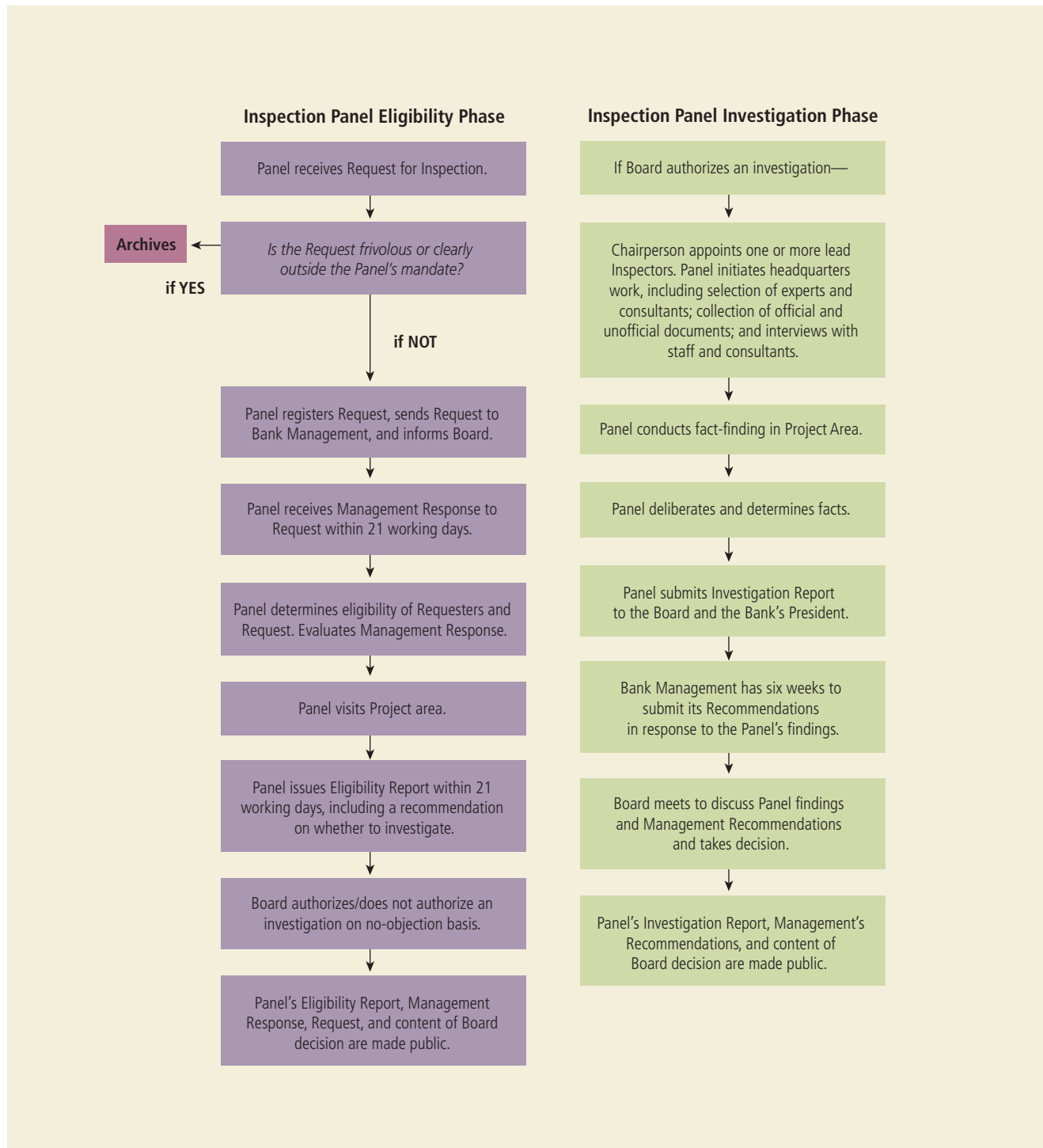
Who may submit a Request for Inspection?

- Any two or more persons directly affected by a Bank-supported Project
- Local representatives on behalf of directly affected persons with proper proof of authorization
- Subject to Board approval, a nonlocal representative (in exceptional circumstances where local representation is not available) may file a claim on behalf of locally affected persons
- An Executive Director

What are the criteria for recommending an Investigation?

- The affected party consists of any two or more persons in the borrower's territory who have common interests or concerns.
- The Request asserts, in substance, that a serious violation by the Bank of its operational policies and procedures has, or is likely to have, a material adverse effect on the Requester.
- The Request asserts that its subject matter has been brought to Management's attention and that, in the Requester's view, Management has failed to respond adequately in demonstrating that it has followed or is taking steps to follow the Bank's policies and procedures.
- The matter is not related to procurement.
- The related loan has not been closed or more than 95 percent disbursed.
- The Panel has not previously made a recommendation on the subject matter or, if it has, the Request asserts that there is new evidence or circumstances not known at the time of the previous Request.

FIGURE 1
INSPECTION PANEL PROCESS



REQUESTS RECEIVED IN
FISCAL YEAR 2010

Export Development Project

(IDA CREDIT NO. 2197 KE)

THE REQUEST

The Inspection Panel received a Request for Inspection related to the Kenya: Export Development Project (the Project) on April 21, 2009. The Request was submitted by the Friends of Nairobi National Park (the Requester) and states that an export processing zone (EPZ) “located in Athi River, Nairobi, Kenya, was funded by the World Bank sometime in 1994” without any stakeholder consultation. It alleges that this EPZ contributed to environmental and social conflicts, depleted water resources, and led to irregular electricity supply and abandoned manufacturing operations. It further claims that “the EPZ lies waste after crippling and helping to destroy the Kitengela wildlife ecosystem” and that “local communities are becoming increasingly hostile over government plans to urbanize marginal lands.” The Request says that plans to increase industrial development in the EPZ, announced by the Government of Kenya on April 21, 2009, may further harm the pastoralist communities and wildlife of the Nairobi National Park and the surrounding Kitengela Plains. Moreover, the Request states that “game census records strong numbers of giraffe, lion, buffalo, eland, zebra, dik-dik, warthog, gazelles, and scores of other wildlife” in the area marked for industrialization, owing to the “flawed planning by the World Bank of the EPZ” which “block[s] not only the open-ecosystem of Nairobi National Park, but also that of Amboseli National Park, because of its extending encroachment into wildlife areas.”

THE PROJECT

Since the Requester had not specified which World Bank-financed project had allegedly caused the harm documented in the Request, the Panel, in accordance with paragraphs 19, 20, and 21 of its Operating Procedures, wrote the Requester on April 23, 2009, to request additional information. The Panel and the Requester corresponded between

May and August 2009 in an attempt to clarify the allegations made in the Request and to identify all necessary information.

Based on the information received, the Panel determined that the Project in question was the Kenya: Export Development Project, which had been financed by an International Development Association credit in 1990. The Project consisted of quick-disbursing, trade policy-related adjustment lending and lending for investment in an EPZ, an export assistance scheme, and several studies. The Project closed on June 30, 1995.

REGISTRATION

Under the Panel's eligibility criteria, the Panel may not investigate Projects for which the loan has been closed or more than 95 percent disbursed. Because the Project closed on June 30, 1995, the Panel did not register the Request in the Panel's Register, and advised the Requester of this decision. In making this determination, the Panel noted the many significant concerns stated by the Requester and forwarded the Request to Management for consideration.

Land Management and Administration Project (LMAP)

(IDA CREDIT NO. 3605-KH)

BOX 1. PROJECT INFORMATION AT A GLANCE

Project Name:	Land Management and Administration Project
Region:	East Asia and Pacific
Sector:	Public Administration, Law, and Justice; Education; Industry and Trade
Environmental Category:	B
IDA Credit Amount:	US\$23.4 million equivalent
Board Approval Date:	February 26, 2002
Closing Date:	December 31, 2009

THE PROJECT

The Cambodia: Land Management and Administration Project (LMAP, or the Project) aims to assist the Borrower's program of actions, objectives, and policies designed to improve land tenure security and promote the development of efficient land markets. The Project was designed as the first phase of a long-term program aimed at supporting good governance and greater access for the poor to basic social

services. These objectives were to be achieved through five components: development of land policy and regulatory framework, institutional development, a land titling program and development of a land registration system, strengthening mechanisms for dispute resolution, and land management. The Project was partially financed by an International Development Association Credit of about US\$23.4 million equivalent, approved in February 2002.

THE REQUEST

On September 4, 2009, the Inspection Panel received a Request for Inspection related to the Project. The Request was submitted by the Center for Housing Rights and Evictions (COHRE) on behalf of communities affected by the Project. The Requesters represent communities from the Boeung Kak lake (BKL) area within the Sras Chok commune in Phnom Penh. The Panel registered the Request for Inspection on September 24, 2009.

According to the Request, public notice was given that the commune area would become an adjudication zone for land registration purposes under the LMAP. Thereafter,



residents of the BKL communities requested that their land claims be investigated, as provided for by the legal procedure developed under the LMAP and adopted by the Cambodian Government. However, the Requesters claim that their calls for land claim investigations were denied on the grounds that the lands fell within a development zone. The Request states that in the same month in 2007 that the adjudication record was posted in the commune, a lease agreement was signed between a private developer and the municipality of which the commune is a part, including the area where the Requesters currently reside. The Requesters maintain that in 2008, community residents began to face pressure and intimidation to leave the area when the developer began its work, and that in the following year, many families received formal eviction notices with a one-week deadline to accept one of three compensation options: monetary reparation, relocation to a site many kilometers away, or on-site housing with temporary relocation while awaiting completion of residential construction over a four-year period.

The Requesters argue that the LMAP, which seeks to create a centralized and formal registration process, has resulted in weakened land tenure for customary land owners. It is alleged that the Project failed to formalize their tenure and did not transfer their customary rights under formalized land titles despite the Requesters' documentation. The Request states that the lease agreement between the municipality and a private developer resulted in a de facto determination that the land was state-owned. The Requesters argue that regardless of the ownership of the land, residents have been and continue to be evicted in violation of the Bank's environmental and social policies. According to the

Houses flooded by filling of Boeung Kak Lake in project-affected community.

Requesters, other subcomponents of the LMAP remain absent even after seven years of Project implementation. These include Public Awareness Community Participation, legal assistance, and a dispute resolution mechanism to ensure that the affected people's rights are respected throughout the registration and adjudication process.

MANAGEMENT RESPONSE

The Management Response noted that according to the Project Appraisal Document (PAD), no eviction, involuntary resettlement, or land acquisition was anticipated during the Project. Further, according to the PAD, the Project would not title land in areas where disputes were likely until agreements were reached on the status of the land. Management contended that the LMAP generated significant development benefits. Nevertheless, Management acknowledged that the lack of a data collection methodology and relevant statistics inhibited accurate measurements of land tenure security.

According to Management, the Sras Chok commune in Phnom Penh was declared an adjudication area in May 2006 and later demarcated, with the results publicly displayed in January/February 2007. Despite being situated within the Sras Chok commune, the BKL region was not included in demarcation because the Municipality of Phnom Penh declared the BKL area to be state-owned public land.

Management stated that despite the contention that BKL was state-owned public land, plans for private development of the area began in 2005 and culminated in February 2007 with the signing of a 99-year lease of the BKL area to a private developer. In August 2008, the Municipality of Phnom Penh issued a subdecree to transfer the land from state-owned public land to state-owned private land. Management noted that from August 2008 onward, further pressure to relocate was brought to bear on local residents when the developer began filling in the lake, triggering flooding in nearby residences.

Management noted that an Enhanced Review Mission was carried out in April 2009, which conceded that deficiencies in the LMAP's design and implementation led to a disconnect between the project's success in issuing land titles and the continuing insecurity of the poor in land tenure. The Enhanced Review Mission also noted that local authorities were excluding lands in adjudication areas from titling activities without following proper procedures and without allowing people access to information and dispute resolution mechanisms. Management noted that supervision of safeguards and other social measures should have been more robust and that the implementation status of environmental and social guidelines was not sufficiently reviewed in the adjudication areas.

The Bank's Regional Vice President visited Phnom Penh to meet with senior Government officials in August 2009. The Regional Vice President reiterated the request for a moratorium on evictions, offered to allocate Bank resources for the resettlement of residents, and proposed a joint suspension of the Project. However, the Cambodian Government requested a cancellation of the undisbursed balance of the Credit on September 7, 2009.

The Management Response outlined continued efforts to address the Requester's concerns despite the cancellation of the Credit by the Cambodian Government. Management proposed actions to address the Requesters' concerns, which were focused on two fronts and emphasized that these require cooperating with the Government and the



Resettlement site
outside of Phnom Penh.

other development partners. Management stated that it would work with the Government and development partners to ensure that the communities resettled from the BKL area would be supported in a way consistent with the agreed Resettlement Policy Framework, and it would continue to engage the Government and development partners to ensure that communities that needed to be resettled in the future would benefit from a resettlement policy that met appropriate standards and from fair and independent dispute resolution mechanisms.

Management recognized that the resettlement packages offered to people resettled from the BKL area were not in accordance with the Resettlement Policy Framework, and thus committed to undertake an assessment of social impacts of the resettlement on the affected communities. Management stated that it would try to work with the Government to improve the capacity of existing dispute resolution mechanisms as well as the capacity of communities and nongovernmental organizations (NGOs) to use them. In addition, it would continue to try to engage the Government in finalizing a national Resettlement Policy Framework to mitigate impacts of resettlement on affected people and ensure a fair and systematic approach to resettlement activities. Management further stated that engagement with the Government would also focus on improving conditions at various resettlement sites in the country, especially of people resettled from state-owned public land. Management planned to use other projects to support land tenure and livelihood for poor communities. Finally, as the Country Assistance Strategy will be redefined in 2010, Management stated that it would initiate a consultative process to redefine the Bank's role in Cambodia and to identify areas of support and cooperation with the Government.

THE PANEL'S ELIGIBILITY REPORT AND BOARD DECISION

A Panel team visited Cambodia from November 16 to 19, 2009. During the visit, the Panel team met with the organization representing the Requesters, signatories of the Request for Inspection, and other affected people, as well as with other NGOs operating in Cambodia that are concerned, in particular, about issues of evictions of communities around Phnom Penh. The Panel also met with Government officials, Bank Management in Cambodia, other Bank staff, and representatives of the Bank's Development Partners and other donors. The Panel also visited the community where the Requesters live and the resettlement site where some affected people who chose the relocation option now live.

The Panel determined in its Report and Recommendation, dated December 2, 2009, that the Request satisfied the eligibility criteria for an investigation. However, the Panel chose to refrain from issuing a recommendation at that time on whether an investigation was warranted, but rather to await further developments, especially because Management was trying to establish a dialogue with the Government to address the concerns of the Requesters. Taking into account the urgency of the situation, the Panel agreed to make a determination by March 31, 2010, as to whether to recommend an investigation. The Board approved the Panel's recommendation on December 16, 2009, on a no-objection basis.

FINAL ELIGIBILITY REPORT AND RECOMMENDATION AND BOARD DECISION

Following the submission of its first Eligibility Report, the Panel remained in touch with Management and the representatives of the Requesters on developments in Cambodia. Management informed the Panel that it had initiated a dialogue with the Government of Cambodia; however, both Management and the Requesters indicated that no progress had been made on the ground to implement specific actions. The Panel was informed that the Requesters' situation remained much the same as at the time of submission of their Request for Inspection in September 2009 and the Panel's visit to Cambodia in November 2009. The Panel was unable to confirm that any progress had been made in addressing the Requesters' concerns.

The Panel submitted its Final Eligibility Report on March 31, 2010. In following with its December 2, 2009, Eligibility Report, the Panel determined that the Request met the eligibility criteria for an investigation. The Panel recommended that the Board of Executive Directors approve an investigation of the concerns raised by the Request. On April 13, 2010, the Board of Executive Directors approved the Panel's recommendation for a Panel Investigation on a no-objection basis.

At the time of this writing, as authorized by the Board of Executive Directors, the Panel is in the process of investigating the matters alleged in the Request.

Lima Urban Transport Project

(LOAN NO. 7209-PE AND GEF TF NO. 052856)

THE REQUEST

On October 1, 2009, the Inspection Panel received a Request for Inspection related to the Peru: Lima Urban Transport Project (the Project). The Project is partially financed by an International Bank for Reconstruction and Development (IBRD) loan of US\$45 million and supported by a Global Environmental Facility grant in the amount of US\$7.93 million. The Request was submitted by residents of the District of Barranco in Metropolitan Lima (the Requesters).

The Project is a bus rapid transit (BRT) system in metropolitan Lima that will include 28.6 km of segregated busways, two end terminals with workshops, two midway terminals, and 35 bus stops along existing road corridors. It is the first phase of an integrated mass rapid transport system in Lima, and is aimed at providing services from Lima's historic center to the northern and southern parts of the city. Protransporte Metropolitan Institute of Lima (Instituto Metropolitano Protransporte de Lima, or Protransporte), an entity established in 2002 under the jurisdiction of the Municipality of Metropolitan Lima (MML), is responsible for Project implementation.

The Request relates specifically to the bus corridor in Barranco district, not the Project as a whole. The Requesters, who all live in the Barranco district, claim that they are suffering harm as a result of alleged deficiencies and omissions by the World Bank in the Project design and implementation. The Request gives examples of the most serious harm that the Requesters believe was caused by the Bank's omissions in following its own policies, including the following:

- **Traffic conditions.** Construction of the busway severely affected traffic in the Barranco district, as construction did not follow any traffic management or environmental

BOX 2. PROJECT INFORMATION AT A GLANCE

Project Name:	Lima Transport Project
Region:	Latin America and the Caribbean
Sectors:	General Transport Sector
Environmental Category:	B
IBRD Loan Amount:	US\$45 million
Board Approval Date:	December 9, 2003
Effective Date:	December 15, 2004
Closing Date:	December 30, 2010

management plans and residents were not kept informed about Project-related developments. As a result, the residents' quality of life suffered owing to traffic congestion and a higher risk of accidents.

- **Environmental Assessment.** The Environmental Assessment does not include environmental management plans or any plans to mitigate negative environmental impacts.
- **Consultations.** Consultations were not carried out in accordance with Peruvian legislation, and district residents remain uninformed about the Project.
- **Impact on historic district.** The residential character of the Barranco district, its socio-cultural dynamics, and the conservation of its historic area have deteriorated as a result of the Project. The architectural heritage of the district has suffered “*irreparable*” harm.
- **Economic activity.** The traditional social and economic exchange between the districts of Barranco and Surco has been interrupted.

According to the Requesters, the residents of Barranco and the district will continue to suffer harm after construction works have terminated and the bus corridor becomes operational. They further state that the options proposed thus far by Project authorities to solve their concerns do not truly address the problems. They claim that their concerns about the negative impacts of the Project were not taken into consideration and were also not taken into account in the Environmental Assessment.

A bus station along the Metropolitano route in Lima.



MANAGEMENT RESPONSE

The Management Response provides an overview of how traffic conditions in Lima have deteriorated as a result of an expanding population, emphasizing that the city's poorest residents residing on the periphery suffer the most because of the time and effort it takes to travel in this congested city. Lima's air quality, according to Management, is among the worst in Latin America. Management believes that Lima's size and economic growth require a mass rapid transit system such as the Metropolitano, as the Project is known, which is patterned upon Bogota's TransMilenio. The Metropolitano, which is the first line in the city's BRT system, will run north-south parallel to the coast for 28.6 kilometers. The buses, fueled by compressed natural gas, will operate along segregated busways and on a typical weekday are expected to service 600,000 passengers, including persons with disabilities, who will access them from 35 stations.

Management explains that the Metropolitano runs through Barranco on Av. Bolognesi, which was a four-lane avenue whose two southbound lanes have been taken over and retrofitted for BRT use. This has resulted in southbound vehicular traffic being re-routed through the west part of Barranco, while the two northbound lanes continue to be used by vehicles. Management explains that this alignment was chosen and only two lanes were recommended for busways to adapt to the narrow corridor and to avoid expropriations in Barranco's historic area. Management believes that Barranco's traffic problems are largely not related to the Metropolitano but to the increase in vehicular traffic in general and the existence of commercial and high-rise buildings in the district.

Management does acknowledge, however, that the construction phase of the Project has exacerbated traffic problems in Barranco. In Management's view, this was because of the rerouting of traffic away from Av. Bolognesi onto other streets, the decision by Protransporte to maintain the southbound rerouting as permanent, and the lack of synchronization of the traffic signals. However, Management believes traffic conditions in Barranco will improve once the Metropolitano becomes operational.

Management accepts that OP 4.01 (Environmental Assessment) requirements regarding mitigation of *"residual adverse impacts has not been fully met"* and acknowledges that *"informed consultation with concerned groups was not always implemented satisfactorily and as a result some groups lacked proper understanding of the Project scope."* However, Management believes that it has met OP 4.01's requirements relating to traffic management measures and assessment of alternatives. Management also agrees with Requesters that *"the Project has partially contributed to traffic congestion in Barranco"* and the fact that Project implementation has been slower than expected has not helped the situation. Management concludes by noting that though most of the *"negative impacts caused by the Project are temporary,"* permanent negative impacts will not be known until the Project is fully operational.

Management states that *"requirements of the Bank's Operational Policy on Environmental Assessment, OP 4.01, have not been fully met."* Management believes it has *"met the requirements of OP 4.01 during preparation and appraisal"* but *"acknowledges that disclosure of relevant studies and plans did not always meet the policy's requirements."* Management also states *"institutional capacity for environ-*



Avenida Bolognesi
in Barranco.

mental and social management was insufficiently developed at the time of Project approval” and “the Bank team could have intervened more forcefully” to promote institutional strengthening. The Project was categorized as Environmental Assessment Category B, as studies revealed impacts to be localized and temporary.

Management agrees that *“the Project has not met fully the requirements of policies and procedures related to consultations and grievance mechanisms.”* It states that though efforts were made to *“consult widely”* on environmental analyses, *“these were not always fully satisfactory in terms of prior information, disclosure, and follow-up engagement with concerned stakeholders.”* Management does, however, state that local consultations on the Strategic Environmental Assessment (SEA) and draft Environmental Impact Assessment (EIA) were held, focus groups were established, the draft EIA was posted online for comments for a two-month period, and the final EIA was posted online for one year. And though the Bank’s Infoshop disclosed the English-language Executive Summary of the EIA prior to Project appraisal, Management feels that it also should have disclosed the full EIA and SEA in Spanish at that time.

Management states further that the Project has complied with the policy on Physical Cultural Resources, as it is in accordance with local law and institutions and has

minimized impacts on cultural resources and historical sites. The National Institute of Culture has oversight of the Project, and its approval is being sought for the design of the bus station under construction in the Barranco district. Management also states that trust funds are being mobilized, independent of Project-related mitigation measures, to study the revitalization of historic areas of Lima.

Management is of the view that Project supervision has “partially met” the requirements of OP 13.05 (Project Supervision). Management observes that the Project is complex and that Bank staff made a number of efforts to meet the requirements of OP 13.05. Though a 2006 Quality of Supervision Assessment rated supervision as “moderately satisfactory,” more recent Bank efforts have been proactive and robust, particularly in light of the problems raised.

The Management Response presents an action plan with related timeline to follow up on issues raised by the Requesters. The Action Plan proposes a traffic management study to be concluded by June 2010, active supervision of the environmental and social impacts, an ex-post environmental audit, support for dialogue and consultation with the help of an expert Facilitator, continuation of technical advice to Protransporte to help the agency manage the issues raised in the Request and in the future, and finally supervision to ensure that works in Barranco conclude satisfactorily.

ELIGIBILITY

To determine the eligibility of the Request and whether an investigation of the issues raised by the Requesters was warranted, the Panel visited Peru from December 7 to 9, 2009, and met with various stakeholders, including the signatories of the Request and other Project-affected people who reside in Barranco, with representatives of civil society organizations, national and local authorities, and representatives of the Project Implementation Unit and Bank staff in Lima. The Panel determined that the Request for Inspection met the eligibility requirements set forth in the Resolution. The Panel further recommended that an investigation of the issues raised in the Request be carried out and noted that the investigation would focus on the issues raised by the Request as they relate specifically to Barranco, including in particular the potential longer-term impacts of the Project and the adequacy of related mitigation measures. The Board of Executive Directors approved the Panel’s recommendation on December 30, 2009.

INVESTIGATION

The Panel’s investigation is currently under way. To assist in the investigation of the issues raised in the Request, the Panel retained two internationally recognized experts on BRT systems and urban planning with extensive experience on BRT in the Americas and worldwide.

Smallholder Agriculture Development Project

(IDA CREDIT NO. 4374-PNG)

BOX 3. PROJECT INFORMATION AT A GLANCE

Project Name:	Smallholder Agriculture Development Project
Region:	East Asia and Pacific
Sector:	Roads and Highways
Environmental Category:	B
IDA Credit Amount:	US\$17.7 million equivalent
Board Approval Date:	December 18, 2007
Effective Date:	January 28, 2009

THE REQUEST

On December 8, 2009, the Inspection Panel received a Request for Inspection related to the Papua New Guinea: Smallholder Agriculture Development Project (the Project) financed by the International Development Association (IDA). The Request was submitted by the Ahora/Kakan-detta Pressure Group, affected customary land owners from the Oro Province, and

affected smallholders in one of the three project areas (the Requesters). The Requesters asked that their identities be kept confidential and that the Center for Environmental Law and Community Rights (CELCOR), a nongovernmental organization from Papua New Guinea, act as their designated representative. The Inspection Panel registered the Request on December 17, 2009.

The Requesters contend that the Project would limit their economic opportunities and pressure them to produce oil palm even though they believe that oil palm farming will not raise their standard of living. They claim that under the Project, farmers will be unable to “*enhance their living standards*” given their “*dependent relationship*” and “*unfair revenue sharing arrangement*” with the estate mill, and that the Project will “*reinforce*” the Fresh Fruit Bunch pricing system, which they believe favors milling companies over the smallholders. They also believe that the Project would cause environmental degradation and additional economic hardship by requiring growers to pay for road maintenance fees. In their view, by “*embedding*” these dependent relationships and raising levies, the Project will not enable smallholders to “*lift themselves out of poverty*” and will contribute to the existing poverty paradox where high cash incomes do not translate to improved standards of living.

According to the Requesters, the “*infilling*” aspect of the Project, or practice of planting oil palm adjacent to existing access roads, amounts to oil palm expansion, which will



Panel Team meeting with smallholders in Oro province.

cause further indebtedness for smallholders. The Requesters add that the Project has identified approximately 9,000 hectares of “vacant” land for new planting, rather than promoting more productivity on existing blocks. The Requesters state that despite significant investment by the World Bank in the oil palm industry over the years, these investments did “little to provide material improvement in smallholders’ lives.”

The Requesters claimed that “World Bank and project sponsor have not consulted with claimants and other locally affected communities” and “project information was not broadly disseminated prior to project approval and is still not available, nor was it ever delivered in any language other than English.” The Requesters also said that the World Bank did not provide them with an opportunity to provide input into the Project or discuss its impacts, even though they are indigenous people and customary landowners. The Requesters note that they have raised their concerns with the World Bank on a number of occasions, but state that they had not received any satisfactory response.

THE PROJECT

The Project seeks to increase the income and improve livelihoods of smallholders already involved in oil palm production by enabling them to plant additional oil palm through “infilling,” rehabilitating and maintaining rural access roads, and improving local-level service provision and infrastructure through community participation. The concept of “infilling” refers to new blocks of oil palm being planted between established blocks of oil palm along existing access roads in the Nucleus Estate Scheme areas. The Project

Smallholders in Oro province.



objectives are to be met through three components: smallholder productivity enhancement, local governance and community participation, and project management and institutional support. The Project will be implemented in three areas in Oro and West New Britain provinces over five years.

MANAGEMENT RESPONSE

On February 8, 2010, Management submitted its Response to the Request for Inspection. The Management Response stated that it believed it had made “*diligent efforts to apply its policies and procedures and to pursue concretely its mission statement in the context of the Project*” and that “*the Requesters’ rights or interests have not been adversely affected by a failure of the Bank to implement its policies and procedures.*” That said, Management noted several areas for improvement.

Management acknowledged that the Project was considered to be ambitious and “*high risk*” at appraisal, because of the weak institutional capacity of Project counterparts and because it sought to address the issue of poorly maintained agricultural access roads through the introduction of a Road Maintenance Trust Fund. This is why, according to Management, several conditions of effectiveness have been put in place to ensure that these issues are addressed.

Management believes that World Bank investment in the oil palm sector in Papua New Guinea since 1969 has had an overall positive impact and that oil palm is the best vehicle to improve rural livelihoods in the country. Management states that the Project would continue to provide benefits in an environmentally and socially sustainable manner. Investment in rural access roads would also have an overall positive impact, as it

would improve access to services such as health and education. Management claims that improved roads would reduce costs of production because of lower transportation costs, thereby contributing to poverty reduction.

Management stated that a vast majority of the population living in the Project area was considered indigenous as per Bank policy, and the Government of Papua New Guinea undertook a Social Assessment and other necessary steps to ensure free, prior, and informed consultations, resulting in broad community support at all major stages of Project development. However, Management acknowledged that some requirements of the OP 4.01 (Environmental Assessment) were not fully met and that further consultations would be undertaken as part of upcoming Project activities.

In light of the Request, Management agreed that there were areas for improvement and proposed several courses of action. The Bank would ensure that key documents were translated and made available by the Oil Palm Industry Corporation (OPIC) in the Project areas, that OPIC radio programs communicated key aspects of the Project to smallholders, and that an analysis of the impact of increased effluents from Project activities would be undertaken. Management stated that it would also provide inputs to OPIC to ensure that the Road Maintenance Trust Fund is designed in a consultative way to ensure sustainability, that the process continues to involve smallholders, that adequate provisions are made for the independent social and environmental audits, and that the Project's grievance mechanisms are strengthened.

ELIGIBILITY PHASE AND BOARD DECISION

A Panel team visited Papua New Guinea from February 16 to 20, 2010. During its visit, the Panel team met with CELCOR, Government officials, Bank staff, and OPIC representatives. The Panel team also visited Popondetta in Oro Province where the Requesters live, and met with the signatories of the Request for Inspection and other affected people. The Panel team also met with a representative of the local administration in Popondetta, the representatives of the OPIC field office, and representatives of the Popondetta Oil Palm Growers Association.

The Panel determined that the Requesters and the Request meet the eligibility criteria set forth in the Resolution that established the Inspection Panel and the 1999 Clarifications. The Panel also noted that there are conflicting assertions and differing views on issues of harm and compliance with policies and procedures raised in the Request for Inspection, as evidenced by the various statements made in the Request, in the Management Response, and in the Panel's meetings with affected people and with Bank staff. In light of these observations, the Panel recommended that an Investigation take place on the issues raised by the Request.

On March 25, 2010, the World Bank Board of Executive Directors approved, on a no-objection basis, the Inspection Panel's Report and Recommendation. The Panel is in the early stages of this investigation.

Private Sector Development and Competitiveness Project

(IDA CREDIT NO. NO. 3815-DRC)

BOX 4. PROJECT INFORMATION AT A GLANCE

Project Name:	Private Sector Development and Competitiveness
Region:	Africa
Sector:	General Transportation; Mining and Other Extractive; General Energy; General Finance; Telecommunications
Environmental Category:	B
IDA Credit Amount:	US\$120 million equivalent
Board Approval Date:	July 29, 2003
Effective Date:	December 2, 2003
Closing Date:	December 31, 2012

As per the later sections of this Report, on December 15, 2009, the Panel received a third Request for Inspection related to another retrenchment operation financed by the above-referenced Project and registered the Request on January 7, 2010. To determine the eligibility of the Request and whether an investigation of the issues raised by the Requesters was warranted, the Panel visited Congo (DRC) between January 19 and 26, 2010, and met with, inter alia, signatories of the Request, Project-affected people, national and local authorities and Bank staff in Congo (DRC).

The Panel also met with Requesters affected by the retrenchment operation related to Gécamines. The Panel determined that Requesters and Request for Inspection satisfied the eligibility criteria.

The Panel noted in its Report, that Management's Second Response was very constructive in the sense that it contained an action plan, a strategy to support the Government of DRC in its reform of public enterprises, and lessons learned in the context of this Project. The action plan and the strategy have direct implications for the Requesters, as they contain elements (a conflict resolution mechanism, a certification of the social debt per enterprise and per employee, and reform of the national pension scheme) that seem to be aimed at resolving the issues raised by the Requesters.

The Panel noted that the proposed actions will take additional time to be operational. This requires the Panel to wait until some progress is seen, in order to issue an opinion on the effectiveness of such measures to address the issues of compliance and harm raised in the Requests. In this regard, Management indicated to the Panel that



it would report back to the Board on the implementation of the action plan and strategy by February 2011. In light of the foregoing, the Panel stated that following the issuance of the Management progress report, it will report back to the Board on whether the Bank's compliance or evidence of intention to comply is adequate and is supported by the facts on the ground, and at that time it will make a recommendation on whether an investigation of the claims in the Requests for Inspection are warranted. The Board of Executive Directors approved the Panel's recommendation on April 19, 2010.

Panel team meeting with affected people in Lubumbashi.

Tax Administration Reform Project

(IBRD LOAN NO. 72640-PAK; IDA CREDIT NO. 4007-PAK)

BOX 5. PROJECT INFORMATION AT A GLANCE

Project Name:	Tax Administration Reforms Project
Region:	South Asia
Sector:	Public Administration, Law, and Justice
Environmental Category:	C
IBRD Loan Amount:	US\$24.4 million
IDA Credit Amount:	US\$78.5 million equivalent
Board Approval Date:	12/07/2004
Effective Date:	4/07/2005
Closing Date:	12/31/2010

THE REQUEST

On December 22, 2009, the Inspection Panel received a Request for Inspection related to Pakistan: Tax Administration Reform Project (the Project), which it registered on January 19, 2010. The Request was submitted by members of the Officers of Customs and Excise Group Association, who requested that their identities be kept confidential (the Requesters). The Request related specifically to a component of the Project that included the restructuring of the Federal Board of Revenue

(FBR) and the creation of a new occupational service within the Civil Service of Pakistan known as the Inland Revenue Service (IRS).

The Requesters claimed that they will be disproportionately disadvantaged by the administrative merger of the Customs and Excise Group (CEG) and the Income Tax Group into the new IRS. They alleged that the administrative merger will negatively impact their individual rights as civil servants and career prospects because their promotions and eventual inter-service lateral mobility will be delayed, and fewer CEG officers are likely to be promoted as the two groups compete for a reduced number of senior IRS positions. In addition, the Requesters claimed that the reorganization of the CEG and the Income Tax Group left workers disgruntled and demoralized, causing harm to Pakistan's economy. They stated that they were not against tax reform in general, but were concerned that this restructuring was a deviation from the original objectives of the Project. The Requesters also noted that the Project was not appropriately supervised and that Management had not been responding to their concerns, and that therefore the Bank was not in compliance with the Operational Policy and Bank Procedure (OP/BP) 13.05 on Project Supervision.

THE PROJECT

The Project's development objective is to fundamentally reform the FBR into a more effective and efficient revenue administration system. The Project has seven components. The International Development Agency (IDA) Credit and International Bank for Reconstruction and Development (IBRD) Loan were approved by the IDA and IBRD Boards of Executive Directors on December 12, 2004, and became effective in April 2005. The original Closing Date of December 31, 2009, has been extended to March 31, 2010, and the Bank is currently considering a two-year extension and Project restructuring.

MANAGEMENT RESPONSE

On February 19, 2010, Management submitted its response to the Request for Inspection. The Management Response stated that the World Bank has been supporting the Government's tax administration reforms since 2004 through different instruments, of which the Project has been a main vehicle.

Management underlined that *"the FBR designed and implemented its own plan for the merger of occupational groups"* and that the *"World Bank has supported the implementation of that plan."* Management also noted that the Requesters are concerned about the merger of occupational groups and not the integration of the collection of domestic taxes. This, in Management's view, refers to the *"administrative means to reach the end of a tax administration organized along functional lines and not the end itself."*

Management stressed that the Federal Bureau of Revenue of Pakistan implemented its own reorganization plan, which the Bank supported. Because the Government retained the CEG and the Income Tax Group, the decision to join the IRS was voluntary. Management stated that deciding the configuration of occupational groups rested with the Government, and concluded that though the establishment of the IRS was not part of the original Tax Administration Reform Project implementation plan, it was consistent with the overall development objectives of the Project.

According to Management, the preparation and implementation of the Tax Administration Reform Project involved extensive consultations in accordance with World Bank's Operational Policies. However, Management accepts that the World Bank made an error in not acknowledging the receipt of e-mails and that it should have provided instructions to the relevant teams on responding to such requests. Thus, while Management acknowledged that staff and consultants had made some misjudgments in communication, it concluded that the World Bank had properly applied its policies and procedures and that the Requesters' rights and interests had not been adversely affected.

On March 19, 2010, the Panel received Management's "Supplement to the Bank Management Response," in which Management proposed to emphasize and expand the Project component on human resource management and development to address some of the concerns raised in the Request for Inspection.

ELIGIBILITY PHASE AND BOARD DECISION

An Inspection Panel team visited Pakistan from February 22 to 24, 2010. During its visit, the Panel team met with the FBR, the Ministry of Finance, the Economic Affairs Division, the Establishment Division, Bank staff, the Requesters, and members of the Customs and Excise Group Association.

During its visit, the Panel team heard from relevant Government officials that the Government had taken the decision to create the IRS in light of the best advice it received from the Bank and other sources. However, the Requesters considered that the Bank exerted pressure on the Government to create the IRS. The Panel observed that it is not in a position to comment on the allegation by the Requesters that the IRS was established at the behest of the Bank and observed in its Eligibility Report that though an administrative model in the specific form of the IRS is not mentioned or elaborated upon in the Project Appraisal Document (PAD), neither does the PAD propose another model. The Panel notes, and was informed by the Requesters, that several models could be employed to administer the functional integration of a tax system. In the case of Pakistan, the Government received advice from a 2008 technical assistance report financed by the World Bank, and chose to merge the two service groups to create a single service to manage all inland direct taxes.

The Panel noted that Bank policy does not require that administrative reforms be neutral to career prospects and further noted supplemental steps proposed by Management to address the Requesters' concerns. In this light, and the nature of the claims in light of Bank Policy, the Panel did not recommend an investigation of whether the Bank has complied with its operational policies and procedures with respect to the allegations contained in the Request.

On April 7, 2010, the World Bank Board of Executive Directors approved, on a no-objection basis, the Inspection Panel's Report and Recommendation.

Eskom Investment Support Project

(IBRD LOAN NO. 78620)

THE REQUEST

On April 6, 2010, the Inspection Panel received a Request for Inspection related to the then proposed South Africa: Eskom Investment Support Project (the Project), to be financed by the International Bank for Reconstruction and Development (IBRD). The Request was submitted by community members living in the Project area in Lephalale in Limpopo Province (the Requesters) through groundWork and Earthlife Africa, two nongovernmental organizations (NGOs) based in South Africa. The Panel registered the Request on April 7, 2010.

The Requesters contend, in the context of compliance with Bank policies, that local people living in the area of the Medupi coal-fired power plant, a component of the Project, will be detrimentally affected. They state that communities in the area are concerned about potential health impacts from emissions from the Medupi power plant, the plant's use of already-scarce water resources, destruction of grave sites and sources of traditional medicines due to construction, involuntary resettlement from transmission lines, and impacts on livelihoods due to negative effects of the plant on agriculture and ecotourism. Their concerns, they feel, are compounded by the cumulative impacts of multiple planned and existing power generation facilities in the area.

In addition, the Requesters express concern about environmental issues such as whether the technology used in the Medupi power plant will sufficiently control greenhouse gas emissions. The Request also lists economic concerns, including South Africa's ability to repay the IBRD loan and whether the Project will enhance energy access for the poor. Moreover, the Requesters are concerned that the Project is not consistent with the provisions and requirements of Bank policy on country systems, and express par-

BOX 7. PROJECT INFORMATION AT A GLANCE

Project Name:	Proposed Eskom Investment Support Project
Region:	Africa
Sector:	Power
Environmental Category:	A
IBRD Loan Amount:	US\$3.75 billion
Board Approval Date:	April 8, 2010
Effective Date:	May 31, 2010
Closing Date:	October 31, 2015



Matimbe (front) and Medupi (back) coal-fired power plants.

ticular concern about whether relevant norms will be met in light of issues of Borrower capacity and past “*track record*.”

THE PROJECT

The Project seeks to support the Government of South Africa’s poverty alleviation and economic growth efforts by providing financing to Eskom Holdings Limited, a parastatal agency, so that it can meet the country’s energy needs. The Project also seeks to support the Government’s efforts to mitigate the effects of climate change by providing concessional financing under the Clean Technology Fund for renewable energy projects. The Project has been processed by the World Bank under OP/BP 4.00 (Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank Supported Projects) and consists of three components: the 4,800-megawatt Medupi coal-fired power plant with associated infrastructure, investments in two renewable energy projects and associated infrastructure, and low-carbon energy-efficiency investments including construction of a railway line for coal transportation and technical assistance for supply-side efficiencies.

MANAGEMENT RESPONSE

Management submitted its Response to the Request on May 27, 2010, after receiving an extension from the Board of Executive Directors. In its Response, Management asserts that it has complied with Bank guidelines, policies, and procedures.

Management explains that South African regulations require air quality impact analysis to examine cumulative impacts, and that the impact of air emissions from the Medupi power plant on human health would be low. Management states it is convinced that other local impacts of the Medupi power plant, such as water concerns and the conservation of cultural resources, would be negligible and would be appropriately managed by South Africa's various oversight departments and regulations. Management also asserts that South Africa has the legal and regulatory framework and Eskom has the institutional capacity to carry out such a Project while adequately mitigating adverse impacts.

According to Management, climate change impacts of the Project have been carefully and adequately addressed in its design and the Government is committed to following a low-carbon path to economic development. Nonetheless, Management believes that there are no currently available domestic alternatives for energy generation other than coal, and that coal will “dominate” the energy mix in South Africa for the next 10 to 15 years. Management states the Project meets all six criteria of the *Development and Climate Change: A Strategic Framework for the World Bank Group*, which is required before the Bank can consider financing a coal power project.

Management states that the Project's economic impacts would not put undue stress on the poor or on the country's economic situation. The payment on the principal amount of the loan would be no more than 0.1% of the country's total exports in any given year. Though the Project would not finance new electricity connections to households, the Government has made provisions for connecting the remaining 19 percent of unconnected households, the majority of whom are poor, by 2014.

Management reaffirms that extensive due diligence was carried out in the preparation of this Project and that the Requester's rights have not been, nor will be, directly and adversely affected by the Project.

ELIGIBILITY PHASE

A Panel team visited South Africa from May 10 through 13, 2010. During its visit, the Panel team met with the Requesters, Government officials, Eskom Holdings staff, Bank staff, and staff of groundWork and Earthlife Africa. The Panel team also visited Lephalale in Limpopo Province where the Requesters live and met with local councilors, traditional chiefs, representatives of local NGOs, business fora, unions, and local residents claiming to be affected by the Medupi power plant. The Panel also met with members of national and local NGOs and academics in Johannesburg.

The Panel submitted its Report and Recommendation (Eligibility Report) to the Board on June 28, 2010.¹

1. On July 29, 2010, the Board approved an investigation of the issues raised in the Request that relate to allegations of violations of World Bank operational policies and procedures. See the Statement of the Panel Chair to the Board published jointly with the Eligibility Report for further elaboration.

South-West Roads: Western Europe-Western China International Transit Corridor (CAREC-1b & 6b)

(IBRD LOAN NO. 7681-KZ)

BOX 6. PROJECT INFORMATION AT A GLANCE

Project Name:	South-West Roads: Western Europe-Western China International Transit Corridor (CAREC-1b & 6b)
Region:	Europe and Central Asia
Sector:	Roads and Highways
Environmental Category:	A
IBRD Loan Amount:	US\$2.1 billion
Board Approval Date:	April 30, 2009
Effective Date:	December 9, 2009
Closing Date:	December 31, 2013

THE REQUEST

On February 5, 2010, the Inspection Panel (the Panel) received a Request for Inspection related to the Kazakhstan–South-West Roads: Western Europe-Western China International Transit Corridor Project (the Project). This initial request was submitted by two residents of Birlik settlement, Karashik Rural District, city of Turkestan, South Kazakhstan Oblast,¹ Kazakhstan, and was joined by separate submissions from more than 45 households in the same settlement. This Request for Inspection

was copied to Bank Management. On February 28, 2010, the Panel received correspondence, which was also copied to Management, from some of the signatories of the initial Request “taking back” their request.² Between March 10 and April 24, 2010, the Panel received written communications (the Request) from individuals who had separately joined the initial Request.³ These individuals requested that the Panel conduct an investigation into these matters. The Request focuses on the segment of the Project passing through the city of Turkestan, including Birlik settlement. The Panel registered this Request on April 29, 2010.

The Project is part of the Government’s program to upgrade and improve the 2,840-km road corridor linking Europe and Russia to China through Kazakhstan. Different

1. An oblast is an administrative and territorial division in Russia and the former USSR.

2. The Panel received this communication while it was translating the Request and ensuring accuracy of the translation, as per paragraph 8 of its Operating Procedures, after several days of World Bank business closure in Washington, DC.

3. As provided for in Paragraph 19 of the Panel’s Operating Procedures, the Requesters supplied the Panel with additional information at the Panel’s request.



Panel Team meeting with Birlik community members.

donors, including the Bank and the Government of Kazakhstan, are co-financing separate sections of the road corridor.

According to the Request, the Project includes widening a road segment that currently cuts across Birlik settlement, where the Requesters reside. Several houses are close to the current road alignment. The Request states that, as designed, this segment will cause the following adverse effects: (1) harm to the health of the residents of the settlement from fumes, pollution, and noise; (2) harm to the environment from accidents and spills from trucks transporting flammable and explosive materials; (3) risks to the safety of schoolchildren crossing the road daily, as a result of higher traffic volume and speed; and (4) possible impact on houses and related involuntary resettlement.

The Requesters also claim that the transit traffic flow in the heart of the city of Turkestan will increase significantly in the future and “*will become an environmental disaster for its residents.*” They add that “*Turkestan is viewed as the second Mecca for Muslims around the world. The city’s potential unsafe life and health conditions for Muslim pilgrims will result in the irreversible damage to the budget of the city, as well as to the income of urban residents benefiting from tourism.*”

In one of their communications, the Requesters informed the Panel that local officials promised to plant trees and vegetation between their houses and the road segment, provide a school-bus service to take the children to and from school, and build a new service road outside the city of Turkestan within three to five years. These promises led some of the original signatories to “take back” their initial Request. The Requesters, however, are concerned that these promises are not referred to in Project documents.

The Requesters’ claims may constitute noncompliance by the Bank with provisions of the following operational Policies and Procedures: OP/BP 4.01 (Environmental Assessment), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 13.05 (Project Supervision), and the World Bank Policy on Disclosure of Information dated June 2002.

MANAGEMENT RESPONSE

On June 1, 2010, Management submitted its Response to the Request. In its Response, Management stated that the Bank “*made every effort to apply its policies and procedures and to pursue in a comprehensive manner its mission statement in the context of the Project.*” Management added that in its view, it followed the guidelines, policies, and procedures applicable to the matters raised in the Request and, as a result, it believed that “*the Requesters’ rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.*”

Management stated that the Committee for Roads (the Project’s implementing agency) actively engaged the local communities, particularly in Birlik settlement, to respond to concerns raised. According to Management, on several occasions the Committee for Roads amended the designs of different road segments to proactively address issues raised by local residents along the Project road. Management added that revisions to the designs for the road segment along Birlik settlement were completed in December 2009 and consulted upon in February 2010 in Turkestan and in Birlik settlement.

Concerning adverse effects of the road segment along Birlik settlement, Management reported several revisions to the design, including shifting the road alignment to provide the maximum possible distance between the houses and the new road; reconstructing the existing two-lane road to become a local access road; constructing a three-meter-high wall between the new road and the reconstructed local access road to provide safety; constructing a pedestrian underpass at a point close to the local school and a pedestrian crossing at the traffic signal about 800 meters away; planting trees along the new road for aesthetic reasons; installing street lights along the existing two-lane bypass road and at the underpasses to improve personal safety and security; and constructing bus stops with shelters.

Concerning the promise of a dedicated school-bus service for the children of Birlik, Management confirmed that the local administration has offered to provide additional bus services specifically to transport children from Birlik settlement to the local school during the school year. Attached to the Management Response are written assurances confirming that additional bus services will be provided by the local administration, commencing in September 2010.

As for the impact on the Khoja Ahmed Yasawi Mausoleum located at the center of Turkestan, Management states that it is considered a holy site that attracts pilgrims and tourists to the city, and is designated a UNESCO World Heritage Site. Management added that the improved bypass will reduce the amount and negative impacts of traffic transiting through the city center and allow better access to the Mausoleum. Concerning the construction of a completely new bypass road outside the city of Turkestan, Management stated that officials from the Government promised that a bypass will be considered when justified by traffic volumes. Management also stated that the Bank would consider a future Government financing request if asked.

Panel Team meeting sharing details of modification to the road with representative of civil society.



THE PANEL'S ELIGIBILITY REPORT AND BOARD DECISION

On June 28, 2010, the Panel submitted to the Board of Executive Directors its Report and Recommendation regarding the eligibility of the Requesters and Request. To determine their eligibility, the Panel reviewed the Request for Inspection and Management Response. The Panel also visited Kazakhstan, specifically the cities of Turkestan, Shymkent, and Astana, from May 29 to June 2, 2010. During their visit, the Panel team met with signatories of the Request for Inspection. The Panel also met with Government officials and representatives of the project implementing unit.

The Panel determined that both Request and Requesters met the eligibility criteria set forth in the Resolution establishing the Panel. Also in its Report, the Panel noted that concerns were first voiced in writing by a local nongovernmental organization, on behalf of community members, in June 2009; and that between December 2009 and February 2010 revisions to the designs for the road segment along Birlik settlement were proposed.

The Panel further noted that the Request, Management's Response, the Panel's field visit, meetings with Requesters and community members, with Government and local officials, and with Bank staff confirmed that the views on the issues raised in the Request for Inspection were converging. The Panel observed that while all concerned acknowledged the importance of the issues raised, they also acknowledged the solutions put forth by Management and the authorities in Kazakhstan in response to issues raised in the Request. The Panel noted that during its visit to Birlik settlement, the Panel shared a sketch map of the design modifications and information relating to the realignment of the road, provision of a school-bus service, construction of underpasses and noise barrier, and the planting of trees. Community members and civil society representatives voiced their satisfaction with these revisions.

The Panel also noted that in Astana, Government officials informed the Panel that they were planning for a future bypass for Turkestan. They informed the Panel that, when justified by a higher traffic volume, the Government will construct the bypass in consideration of all relevant social safeguards and without infringing on people's rights. The same message was relayed to the Panel in Shymkent by the Project's implementing agency.

On June 9, 2010, the Panel received a correspondence from the Requesters stating that they "*did not require any further investigation.*" The Requesters first thanked the Panel for maintaining the confidentiality of their identity. Then, they stated that the issues of environmental and technical safety affecting 23 households along the road in Birlik settlement "*were finally solved.*" They added that it would be virtually impossible to demand from the Government of Kazakhstan any specific terms for the construction of a new bypass since its development depends on the intensity of traffic in the future.

In light of the proposal by Management and the Government to modify the road design and consider a future bypass of Turkestan once it becomes justified, Requesters acknowledged that the issues pertaining to Birlik settlement have been resolved. The Panel, with the satisfactory resolution of the key matters of concern to the Requesters and the positive response to the Requesters' concerns documented in the Management Response, recommended no investigation.

On July 13, 2010, the Board of Executive Directors approved, on a no-objection basis, the Panel's recommendation.

Quilleco Hydropower Project

(TRUST FUND NO. TF56272-CL)

THE REQUEST

Between November 11, 2009, and May 26, 2010, the Inspection Panel received several letters complaining about negative effects resulting from different hydropower projects on the Biobío River in Chile. On April 21, 2010, the Panel received a formal Request for Inspection, which was complemented by clarifications in May 2010. The Request was submitted by residents of Tucapel, Santa Bárbara, Ralco Lepoy, and Concepción (the Requesters) in the Biobío region of Chile. Two of the Requesters are representatives of the Pehuenche indigenous community affected by some of the Projects. The Requesters have asked in their correspondences that the Panel keep their names confidential. The Request makes reference to a number of existing or proposed hydropower projects in the Biobío basin: the Angostura project, the Quilleco project, the Pangué/Ralco projects, and the Laja project. Of these projects, one (Quilleco) is supported by the International Bank for Reconstruction and Development (IBRD).

The Requesters state that the region where they live has been and will be negatively affected by Bank-supported hydroelectric projects. They add that the Bank's involvement has been "*the object of enormous public concern and numerous and far reaching internal investigations.*" They state that the developers and operators of these Projects should "*comply with WB environmental and social standards, and immediately cancel their plans for future irresponsible damming (sic) of the Biobio, particularly in lands of special spiritual and strategic value such as the El Piulo sector.*" They further add that the perceived noncompliance is contrary "*to the findings and recommendations of the WB investigations that have taken place in 1995–1996 (Downing Report), 1997–1998 (Hair Report) and in the period of 1999–2000 and 2002–2003 (CAO Office investigations).*" The Requesters consider that these findings and recommendations point not only to the extremely valuable ecological and cultural resources of the area, but also to the shortcomings of the Environmental Impact Assessments. Finally, the Requesters state that all of their claims refer to "*serious violations of Bank policies and procedures in the preparation, appraisal and supervision of these projects and actual and/or potential ecological, environmental, economic and social harm.*"

The Requesters add that the Quilleco Project is the third arrangement between Hidroeléctrica Guardia Vieja, subsidiary of Colbun, and the Bank. They state that they are concerned with the way Colbun SA or its subsidiary is handling the Environmental Assessments and community relations in the region, which disregard the rights of indigenous people (including the Mapuche-Pehuenche) and international commitments made by the Bank. The Requesters state that they have asked the World Bank Buenos Aires Country Office for documentation regarding the Quilleco project. The Requesters consider that although the response was prompt and they received many documents, the response did not satisfy them. The Requesters claim that there is a lack of coordination and consideration of cumulative impact studies of the Quilleco and proposed Angostura projects, operated and developed by the same company or its subsidiary, with the combined and cumulative impacts of Pangué/Ralco on the endangered fish population.

THE PROJECT

On April 27, 2006, Hidroeléctrica Guardia Vieja SA (a subsidiary of Colbun SA) and the IBRD (as trustee of the Netherlands Clean Development Mechanism Facility) completed an Emission Reductions Purchase Agreement (ERPA) for the Quilleco project located in the Commune of Quilleco, Province of Biobío. The ERPA guarantees financial support to develop and operate the Quilleco hydropower facilities in exchange for Certified Emission Reductions, which will mitigate global climate change by reducing greenhouse gas and carbon emissions. According to ERPA Schedule 1, the Project consists of a run-of-the-river power plant of 70-megawatt capacity that utilizes the hydroelectric potential of the Laja River, a tributary of the lower Biobío River. According to the Project Appraisal Document (PAD), IBRD Safeguards Policies for the Quilleco hydroelectric project include Environmental Assessment, Natural Habitats, and Cultural Property. The PAD further states that the Project was assigned to Environmental Assessment category B. According to the Project Web site, the closing date of the Project is December 31, 2011.

REGISTRATION

Under its regular administrative procedure, which implies no judgment on the merits of the Request for Inspection, the Panel registered the Request on June 18, 2010, and is awaiting the Management Response, which is due July 20, 2010.

Third Employment, Entrepreneurship and Human Capital Development Policy Loan

(IBRD LOAN NO. 7949-PL)

THE REQUEST

On June 14, 2010, the Panel received a Request for Inspection (the “Request”) related to the above-referenced operation. The Request for Inspection, dated June 8, 2010, was submitted by Dr. Irena Mausner and Mrs. Magda Acher on their own behalf and on behalf of the extended Fryman, Mirski, Mausner and Acher families. The Requesters state that their property at Chocimska 6 Warsaw, Poland, was expropriated in the 1970s without the payment of any compensation. They further claim that this property is likely to be “privatized” by the Polish Government with the active support of the World Bank through this operation. The Requesters further state that they owned extensive tracts of agricultural land in Silesia and that land was also expropriated without payment of compensation. They claim that Polish Government refused to discuss either claim with them. The Requesters add that they are not complaining about the Polish Government’s expropriation of the property in the 1970s but rather about what they believe to be the Bank’s decision in 2010 to provide significant funding and technical assistance to the Polish Government to privatize properties without even having checked the provenance of such properties. They add that it is this omission on the part of the Bank which is likely to have a material adverse effect on them, thereby making it more difficult for them to obtain restitution or compensation.

The Panel reviewed the Request and the Program Document for the Loan, which was made public shortly after Board approval of the Loan on June 17, 2010. By the end of the fiscal year, the Panel was still considering the Request for Inspection in light of the Loan’s Program Document.

REGISTRATION

On July 23, 2010, the Panel Chairperson determined that there is no nexus between the Bank-financed operation and the claims concerning privatization in the Request for Inspection to the Panel. Under the Panel’s eligibility criteria, the Panel may not

hear complaints with respect to actions which are the responsibility of other parties, such as a borrower, or potential borrower, and which do not involve any action or omission on the part of the Bank. Because of this lack of nexus, the Panel did not register the Request in the Panel's Register. In its notice informing the Board, the Panel noted Management's willingness to write to the Government of Poland informing it that this dispute was brought to its attention and to express the hope that such disputes be resolved between the parties concerned, without expressing any view on the merits. The Panel informed the Requesters of the decision of non-Registration and of the action proposed by Bank Management in relation to the concerns raised in their Request.

INVESTIGATIONS COMPLETED
OR IN PROCESS

Power Sector Generation and Restructuring Project

(IDA CREDIT NO. 3872 ALB)

BOX 8. PROJECT INFORMATION AT A GLANCE

Project Name:	Power Sector Generation and Restructuring Project
Region:	Europe and Central Asia
Sector:	Power
Environmental Category:	A
IDA Credit Amount:	US\$25 million equivalent
Board Approval Date:	March 16, 2004
Effective Date:	January 25, 2005
Closing Date:	January 31, 2008

THE REQUEST

On April 30, 2007, the Panel received a Request for Inspection related to the Albania Power Sector Generation and Restructuring Project (the Project). The Request was submitted by the Civic Alliance for the Protection of the Bay of Vlora, a nongovernmental organization (NGO) (the Requesters). On May 2, 2007, the Panel received a second document from eight persons who live in the city of Vlora and who claim to be affected by the Project.

According to the Request, *“if built, the Vlora Thermal Power Plant [TEP] will destroy environment, tourism, safe fisheries, natural habitat, ecosystem, coral colonies as well as the unique historical and cultural significance of the entire Vlora Bay and Narta Lagoon.”* The Requesters have expressed serious concerns about the adequacy of Management’s consideration of other sites than Vlora. Some of the concerns expressed by the Requesters relate to the potential harm from thermal power plant emissions both in the water and air. Because of prevailing winds and currents, these emissions will affect the enclosed Vlora Bay and contaminate the Vlora city air. The Requesters stated that these effects will have a negative impact not only on local population and fishing but also on the tourism industry, which is an important source of employment and income in the area. The Requesters stated that the prospect of economic growth of the area is mostly based on tourism and fishing—the activities that may be harmed by the Project.

The Requesters claimed that the Environmental Assessment (EA) misrepresents the Project site. They stated their objection to the representation of the site in the EA as *“green field site ... relatively barren coastal area with little vegetation or wildlife.”* The Requesters noted the proximity of the Project site to the Narta Lagoon, a protected area composed of beaches, sand dunes, forests, and wetlands that is home to a number of endangered species. The Requesters asserted that the area is sanctuary to important animals,

plants, and coral colonies, which might be significantly harmed by the Project. They alleged that this was not considered during the preparation of the EA. The Requesters further asserted that the Project site is located only 746 meters from the Narta Lagoon, rather than the two kilometers as indicated in the Project documents. The Requesters claimed that the Project will have significant negative impacts on the protected area.

The Requesters also asserted that the Bank failed to take into account the future cumulative environmental impact of one or more additional thermal power plants that would raise generation capacity at the selected Vlora site to as much as 300 megawatts (MW) and the other investments already approved by the Government in the vicinity of the Project site. They claimed that the Environmental Impact Assessment for the Project referred to only one thermal power plant of 100 MW, while in the Government decision—of which the Bank is or should have been aware—it is explicitly written that it is agreed to reach a capacity of 300 MW in next phases. The Request further indicated that the Government approved a concession agreement to build a large oil storage depot in Vlora Bay, approximately one kilometer away from the TEP.

Furthermore, the Requesters claimed that the Bank has failed to ensure public participation and consultation in decision-making regarding the Project. According to the Request, *“the procedures concerning the Vlora Thermal Power Plant were already found in violation of Article 6 of the Aarhus Convention on Access to Information, Public Participation and Access to Justice, as determined by the Aarhus Convention Compliance Committee in its Draft Finding and Recommendations of March 23, 2007.”*

The Requesters also indicated that the Project site has important archaeological and historical significance. The Project site is in close proximity to an ancient Mediterranean port city, Treport Cape/Aulona, that has archaeological significance. The Requesters stated that the Project site has historical significance to Sephardic Jews who escaped from Spain in 1492 and settled in Vlora. The Requesters expressed strong concern that the TEP will destroy the unique historical and cultural significance of the area.

MANAGEMENT RESPONSE

On June 1, 2007, Management submitted its Response. The Response stated that Albania has suffered from electricity shortages since the summer of 2000 due to both growth in electricity demand and impacts from adverse hydrology on Albania’s predominantly (95%) hydropower-based system. Management stated that Albania’s electricity needs are supplied almost solely by hydropower, which is subject to considerable variability since it is dependent on rainfall. Management asserted that domestic thermal generation capacity was needed to reduce dependence on imported electricity and to diversify domestic generation.

Management stated that following the request of the Government of Albania to assist in arranging donor financing for a new thermal electric power plant, the Bank initiated discussions with the European Investment Bank and the European Bank for Reconstruction and Development (EBRD) regarding co-financing of a TEP, and informed the Government in January 2002 that the three institutions were prepared to assist in financing the Project. Management stated that in 2002, an internationally recognized consulting firm prepared a siting and feasibility study of the proposed TEP with financ-



Aerial view of Vlorë and project site.

ing from the U.S. Trade and Development Agency, and that this consulting firm also prepared the Project EA in 2003.

Management indicated that the Project was assigned an EA “Category A” rating in recognition of the potential significant impacts on the environment and the need for avoidance, mitigating, and monitoring measures. Particular areas of concern included the impacts on air quality from stack emissions, water quality from cooling water discharge, and any ancillary impacts on the Narta Lagoon, which according to Management is located about two kilometers from the Project site.

According to Management, an analysis of alternatives was carried out as part of the Project appraisal process. Management further noted that the Project feasibility study considered other sites and also other fuels as alternatives to the use of distillate oil in a combined-cycle generating unit at Vlorë. Management noted that there was a close correspondence between the ordering of the sites on the basis of the 10 criteria and the ordering on the basis of “levelized” cost alone. Management stated that in both cases, the Vlorë site was ranked first over the site at Fier, which was ranked second. Management indicated that the option of a natural gas-fired combined-cycle unit at each of the proposed sites was found to be more costly than the distillate fuel option, but that the Vlorë plant could be readily converted to gas if and when imported natural gas is brought to Albania.

Management stated that the Vlorë site could physically accommodate additional units for a total installed capacity of 300 MW. Management further stated that “*the Project being financed by the Bank, EBRD and EIB is limited to one facility of 97 MW capacity and the final EA focused on that only.*” Management added that “*if the Government*

decides to proceed with additional generation units (either at the Vloresite or another location), then a new comprehensive EA will be required.”

With respect to public consultation, Management stated that a public meeting was held in Vlora in October 31, 2002, to discuss the findings of the final siting study (dated October 21, 2002), and the draft feasibility study (dated August 6, 2002), including a detailed preliminary environmental analysis and a draft outline of an EA. Management indicated that following the standard Bank procedures for Category A projects, public consultations were held at the early EA preparation stage on April 2, 2003, and the draft EA report stage on September 3, 2003.

With respect to the Requesters’ concern over the Project’s potential impacts on ecosystems (“*fisheries, natural habitat, ecosystem, coral colonies*”), Management stated that the EA and measures to be taken during implementation are adequate. Management indicated that the Project site is outside the protected area around the Narta Lagoon, designated as such in 2004 by the Government, and is not anticipated to have an impact on this area.

In its Response, Management agrees that there was insufficient coverage in the EA on the matter of the review of potential cultural property. Management indicated that when this issue was subsequently raised, it carried out a supervisory visit in July 2006. Management noted that as a result of the visit, it was concluded “*that the site is not of archaeological significance due to the known locations of the ancient city sites in the Vlore Bay region and the lack of any evidence of human habitation during digging for the adjacent fishing harbor in the early 1980s and beyond. Consequently a surface survey of the selected site prior to the start of construction is neither necessary nor justifiable.*”

Management also stated that monitoring of excavations during construction of the plant and related civil works to identify and protect “chance finds” was deemed the only action that needed to be taken, consistent with established Bank practice.

THE PANEL’S ELIGIBILITY REPORT AND BOARD DECISION

To determine the eligibility of the Request and the Requesters, the Panel reviewed the Request for Inspection and Management Response. The Panel also visited Albania from June 24 to 30, 2007. During their visit, the Panel team met with a wide array of Project stakeholders and visited the Project site, the city of Vlora, and the Fier site. The Panel team noted that the selection of Vlora as the Project site is a source of significant dispute and controversy for the local community.

The Panel determined that the Request and Requesters met the eligibility criteria set forth in the Resolution establishing the Panel. On July 2, 2007, the Panel submitted to the Board of Executive Directors its Report and Recommendation regarding the eligibility of the Request. The Panel noted that the Request and the Management Response contained conflicting assertions and interpretations of the issues, facts, compliance with Bank policies and procedures, and actual and potential harm.

On July 18, 2007, the Board of Executive Directors approved, on a no-objection basis, the Panel’s recommendation to conduct an investigation into the matters alleged in the Request for Inspection. The Request, Management Response, and the Panel’s Report and Recommendation were made public shortly after the Board of Executive Directors authorized the inspection sought by the Requesters.

THE INVESTIGATION PROCESS

The Panel conducted a two-part investigation process. First, the Panel completed research into Bank records related to the Project and conducted interviews with Bank staff in Washington, DC, and Tirana, Albania. Second, the Panel Team led an in-country fact-finding visit in January 2008. During the visit, the Panel met with the Requesters and other local area people, Government authorities, country archaeologists and cultural historians, Project officials, and Bank staff in Tirana. The Panel visited the Project site in Vlora and the alternative site in Fier, as well as various cultural heritage monuments and sites in and around the Project area. The Panel submitted its Investigation Report to the Board of Executive Directors on August 7, 2009.

THE INVESTIGATION REPORT

During the investigation, the Panel assessed whether the Bank complied with the following policies and procedures: OMS 2.20 (Project Appraisal), OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 10.04 (Economic Evaluation of Investment Operations), OPN 11.03 (Management of Cultural Property in Bank-Financed Projects), and OP/BP 13.05 (Project Supervision).

In its Investigation Report, the Panel noted the importance of the Project in addressing Albania's electricity needs. The Panel determined, however, that the Bank did not comply with several provisions of Bank policies on Environmental Assessment, Management of Cultural Property, Project Appraisal, and Economic Assessment. The Panel found significant shortcomings in compliance with the Bank's consultation and participation policy requirements.

The Panel assessed issues related to environmental compliance, including the characterization of the Project site, the adequacy of the Project's environmental assessment, the applicability of the Bank Policy on Natural Habitats to the Narta Lagoon, the Project's impact on air and water quality, and assessment of potential cumulative impacts related to the Project. The Panel found that Management failed to ensure compliance with requirements of OP 4.01 (Environmental Assessment) by allowing the Borrower to employ the same consultant that conducted siting and feasibility studies to also undertake the Project's EA. The Panel also found that the EA was prepared after the decision to proceed with the project at the Vlora site had been made. The EA therefore contributed nothing to improving Project selection, siting, planning, or design. The purpose of the EA was thus reduced to improving Project implementation after decisions to proceed had been made.

The Panel found that concerns expressed by the Requesters regarding adverse impacts on the Narta Lagoon and natural habitat, on air quality, and on pollution levels caused by the TEP's anticipated atmospheric emissions were not supported by the facts examined. As neither liquid effluent nor process water would be discharged into the Narta Lagoon, and no significant groundwater contamination would be likely, water pollution would not likely occur. Regarding consideration of technological alternatives, the Panel concluded that appropriate technological alternatives for the Project were assessed, including both coal-fired and combined-cycle technologies as well as alternative fuels such as coal, natural gas, and distillate oil.

The Panel found failure to give consideration in both the final EA and Addendum to risks associated with the construction phase and alternative ways of delivering fuel to the Vlora TEP in the operational phase to be a serious shortcoming that rendered the final EA noncompliant with the OP 4.01 requirement that “EA evaluates a project’s potential environmental risks and impacts in its area of influence.” The Panel was concerned that, due to this deficiency in the final EA and its Addendum, medium- and long-term risks to Vlora Bay marine environments and beaches from potential spills when fuel is offloaded were not minimized.

Regarding cumulative impacts, the Panel found that Bank staff should have insisted on a sectoral EA and the associated cumulative effects analysis in addition to the project-specific EA. Management stated that the Project documentation showed the Vlora site could physically accommodate additional units for a total installed capacity of 300 MW. The Panel found that the omission of cumulative impact assessment of possible expansion of the Vlora TEP from the final EA was not in accord with the Bank’s own Guidelines for new thermal power stations.

In terms of compliance with social and cultural policies, the Panel found that from the early feasibility stages and up to Project appraisal, the Bank did not seek to obtain information on the presence and role of cultural endowments in the Vlora area. The Bank did not ensure that studies considered the likely risks and negative impacts of locating an industrial thermal plant in an area dependent on cultural and beach tourism. The Panel noted its observation that Management initially narrowed its analysis to the Project’s impact on the small patch of land (six hectares) covered by the TEP itself, rather than assessing the potential significance of this site to the greater Vlora area. While the Panel acknowledged that a mission was sent in July 2006, two years after the Bank Board’s approval of the Project, the Panel noted that such a retrospective mission carried out after the approval of the site by the Government and the Bank did not allow cultural property considerations to influence the Project siting decision.

With respect to the Requesters’ claim regarding the historical significance of the Project site to Sephardic Jews, the Panel found that published archaeological research had not identified the exact landing site of the Sephardic Jewish refugees at Vlora Bay. However, published historic and demographic research confirmed that the Vlora community was one of the destinations of refugees from religious persecution. The Panel noted that while there was merit in the Requesters’ desire to preserve the historical memory of past events, memorializing specific historic events was not an activity undertaken by the World Bank.

With regard to the economic evaluation of alternatives, the Panel found that in the overall site decision matrix, of the 10 factors used in the ranking of alternatives, eight are also included in the levelized cost calculation, which is itself included as a factor. However, two factors in the decision matrix were not included in the levelized cost: (1) “air quality concerns” (weight of 8%), and (2) “socio-economic concerns” (weight of 8%). Eighty-four percent of the total subjective weighting in the decision matrix was thus given to factors whose impact had already been included in the calculation of the levelized costs of each alternative. In other words, these factors were included both as costs in the levelized cost factor calculations and again in the decision matrix, greatly reducing the importance of social and environmental factors. The Panel found that as a result of errors in the incorporation of levelized cost measures and improper accounting for social and environmental impacts in the decision matrix, Management failed to comply with the require-

ments of OP 10.04 and OMS 2.20 in terms of preparing an economic appraisal that identifies and quantifies all costs associated with the project, including opportunity costs.

With respect to consultation, participation, and disclosure, the Panel found that, despite increasing public concern and political contention around the Project, Management failed to ensure that Project-area populations and local NGOs were meaningfully consulted throughout the preparation and implementation of the Project on environmental, social, cultural, tourism, and health-related issues that affect them. This is not in compliance with OP 4.01 and OP/BP 10.04. The Panel found that Management did not ensure that Project preparation activities complied with the consultation and public participation requirements of the Aarhus Convention. The Panel concluded that Management failed to ensure adequate notification to the Project-affected people and local NGOs and to secure their participation in consultation meetings as required under OP 4.01. The Panel also concluded that Management failed to ensure satisfactory public disclosure of Project information to interested local area stakeholders.

With respect to the claim of the Association of Tourist Operators of Vlora on the harm to tourism development resulting from the exclusion of the northern part of the Vlora Bay from the scope of the Bank's Integrated Coastal Zone Management and Clean-up Project, the Panel found no policy violation. The Panel noted that neither the threefold division of the Albanian coastline nor the determination of the boundaries between them was made by the World Bank. The Panel concluded that in using these divisions for its Integrated Coastal Zone Management Project, the Bank was following an established practice that had been accepted for almost a decade by United Nations agencies and since 2002 by the Albanian Council of Ministers.

MANAGEMENT REPORT AND RECOMMENDATION—ACTION PLAN

Bank Management submitted its Report and Recommendation on September 18, 2009. In its Report, Management noted its appreciation of the Panel's clear and thorough presentation of its findings. Management noted the Panel's conclusion that the plant would not exceed applicable air emission and cooling water discharge limits, would not adversely affect the nearby Narta Lagoon, and had not resulted in damage or destruction of any cultural heritage or critical natural habitats.

Management concurred with the Panel's conclusion that the major remaining risk associated with the plant related to possible oil spills from delivery of diesel oil to the plant, but clarified in its Report that this was being addressed. Management also acknowledged concerns by the Panel regarding the consultation process employed by the Government of Albania on the plant and other investments in the Vlora area, which resulted in a negative finding against Albania by the Compliance Committee of the Aarhus Convention. Management noted that while the Bank was not a party to the Convention, such deficiencies in access to information in Government decision making do have implications for the effectiveness of Bank Operational Policy implementation. Management stated that as a result of the Aarhus Committee's judgment, the Bank and other international financial institutions recognized that further guidelines and training for staff were needed.

Concerning the Panel's finding about conflicts of interest in the consulting process, Management agreed that it was desirable to separate the EA from design and engineering

in order to avoid potential conflict of interest. Management noted that in this Project, the Bank's alternative approach was used, whereby an independent firm with experience in the sector but no links to the firm preparing the EA was selected to review documents and provide recommendations for quality assurance. The recommendations from the independent reviewer were taken into account to bolster the final EA. While Management agreed that this iterative process was not optimal, and noted that it would seek to minimize such arrangements in the future, Management deemed the use of an independent firm and staff from two international financial institutions Management to meet the intentions of OP 4.01 regarding avoidance of conflict of interest.

Regarding the Bank's focus on project-specific issues following site selection, without expanding attention to broader sectoral and strategic development questions, Management noted that a sectoral or strategic EA approach was not required to conform to Bank policy, especially given the lack of financial or economic linkages and the unconfirmed nature of such investments. Management acknowledged that the Project EA ought to have been clearer with regard to coverage of the potential cumulative impacts of two generation units in addition to the one unit co-financed by the Bank. Management clarified that while the initial feasibility and siting studies carried out by the Government of Albania did examine both the 100 MW and the 300 MW options, the Bank and its co-financiers considered the financial likelihood of additional units in the near to mid-term to be very low. Management noted, nevertheless, that updated environmental analyses showed that European Union air and thermal water standards still would be met for the 300 MW scenario.

In terms of Project effects on tourism, Management acknowledged that there may be some impacts—localized and narrow in the Project area—on tourism. However, a significant number of islands in the Mediterranean have built power plants on their coasts, and tourism advanced rapidly nonetheless as a result of a reliable electricity supply, among other things. Management acknowledged that some external costs related to tourism were not taken into account in the Project's economic analysis.

Management agreed with the Panel regarding two areas for consideration. One related to the risk of oil spills. The second related to the overall process of planning for the Vlora Bay. Management noted that with regard to this issue, the Bank, along with other donors, worked closely with the Government to develop a territorial planning law that would be the basis to ensure that appropriate evaluations would be undertaken throughout the country in the future.

Management, as part of its Report, prepared an Action Plan to (1) oversee completion of final offshore Oil Spill Response Plan in advance of routine facility operation; (2) report on progress by KESH (Albanian Power Corporation) regarding regular monitoring of environmental parameters associated with Project operations, along with disclosure of monitoring data; (3) urge KESH to increase engagement with the residents of Vlora; (4) strengthen the assessment of social and cultural aspects of investments by applying the EA policy as well as related social and operational policies; (5) ensure that the quality, scope, and frequency of public consultation are adequate and well documented by social specialists; (6) continue to support the Government of Albania on the Strengthening Aarhus Convention Implementation capacity-building project financed by the Institutional Development Fund; (7) develop and deliver a training module for Bank staff on assisting govern-

ments in meeting their international treaty obligations, including implementation of two UN Economic Commission for Europe conventions (Aarhus and Espoo); (8) continue to supervise the Project for any chance finds of cultural property assets; and (9) implement the newly revised Communications Strategy in the World Bank Office in Tirana.

BOARD MEETING

On October 22, 2009, the Bank's Executive Directors met to discuss the Panel's Investigation Report and the Management Report and Recommendation. The Board approved the Management Action Plan, and it was agreed that Management will report back to the Board on the implementation of the Action Plan in six months.

PROGRESS REPORT

On June 24, 2010, Bank Management submitted a Progress Report to the Board of Executive Directors regarding the implementation of the Management Action Plan. The report updated the Board on actions taken following Board discussion and reflected progress through the end of May 2010.

Commissioning of the plant (i.e., testing of key components) began in summer 2009, prior to the expected full commercial operation, which was envisaged in the Management Report to take place by the end of November 2009. Technical problems developed, most notably a gap at one of the joints in the cooling water intake pipe that led to significant clogging of the line with sand and debris. This prevented critical testing and commissioning of the steam turbine. To allow further component testing, a temporary bypass pipe for cooling water was put in place to function until the main cooling water intake pipe could be repaired or replaced. Consequently, the plant is not planned to be fully operational by early to mid-2011.

Regarding the land use planning issues in the greater Vlora area, the Progress Report stated that the Government together with the Municipality of Vlora launched the preparation of a Regulatory Plan for the city. The various stages in preparing the plan have been publicized and local stakeholders have been consulted on several occasions, most recently in early April 2010. The draft plan was completed in May and consultations are ongoing, with the expectation that the planning process will continue (reflecting necessary revisions) toward the approval process in fall 2010.

Project-specific issues addressed in the Report include (1) finalizing Project oil spill prevention and response measures, (2) monitoring emissions from plant operations, (3) continuing management of cultural property after Project appraisal, and (4) bolstering utility company engagement with the public. Progress on strengthening Albania's engagement with stakeholders more broadly is addressed through improving compliance with international environmental obligations. Progress on a final set of five issues relates to improving Bank operational performance: strengthening social assessment in the Europe and Central Asia region; improving staff awareness of borrower country international obligations; avoiding potential conflicts of interest on Environmental Assessment for Category A projects; improving external communications and response by the World Bank office in Tirana; and sharing safeguards lessons learned from this Inspection Panel case with staff.

According to Management, spill prevention and response plans for onshore operations of the Vlora TEP, including equipment and containment structures, are in place, and good progress has been made on implementing the final offshore Oil Spill Response Plan. KESH has implemented organizational elements (such as establishing chains of command and communication), as well as physical elements (especially the acquisition of offshore containment equipment). KESH/Vlora TEP has hired two vessels from local companies as part of prevention and response. KESH also has arrangements with the Coast Guard for any more catastrophic accident, given its capacity to respond to larger emergencies.

To comply with Management's agreement to report on progress by KESH regarding emissions monitoring and public disclosure as well as to bolster KESH engagement with the public in general, several steps have been taken. Emissions information on both air and water quality will be collected through a Continuous Emission Monitoring System and analyzed to spot any harmful deviations in emissions. Emissions data will be publicly available on the KESH Web site, and the Regional Council of Vlora, a party to the civil society organization Eco Watch, has agreed to inform the public on local television about the plant's environmental performance. Regarding general public engagement, KESH has (1) tasked Eco Watch to interface with the public on environmental monitoring questions, (2) established an Energy Education Center at the Vlora TEP for public awareness-raising, and (3) signed a collaboration agreement between the Vlora TEP and the Regional Education Directorate of Vlora. With respect to the public's concern about cultural property assets affected by the Project, the Bank agreed to continue to supervise the Project for any "chance finds," though none have been discovered to date.

Management has taken steps to improve compliance with international environmental obligations. The Bank continues to assist the Government of Albania on the Strengthening Aarhus Convention Implementation capacity-building project supported by the Institutional Development Fund. The Ministry of Environment, Water Resources and Forests established three Aarhus Centers in Shkodra, Tirana, and Vlore, covering the north, central, and southern regions of Albania, respectively. A needs assessment will be the first step in the project. The Bank also prepared a short primer on consultation methods, which will be translated into Albanian and used in connection with training.



Former area thermo power plant in Fier, where rehabilitation was one of the Project alternatives.

Finally, the Bank is taking measures to improve operational performance. In order to strengthen social assessment in the Europe and Central Asia region, the social development team has been augmented by three new positions. Country social scientists have been appointed to help with identifying and including macro/country-level social aspects. A new training program was launched in May 2010 for Task Team Leaders and the Regional Management Team on social safeguards and sustainability. As a result of this Inspection Panel case and safeguards lessons learned, Bank staff are being trained through briefings, training courses, and written guidance. Conflicts of interest in exceptional Category A projects will be avoided in the future by seeking waivers from the Board. Bank staff members are also being trained on how Bank-supported environmental assessment work intersects with borrower country international obligations. To improve external communications and response by the World Bank office in Tirana, Management is implementing a new Communications Strategy, which provides proactive and time-bound responses to comments or complaints from communities, civil society, and the private sector.

Santa Fe Infrastructure Project

(IBRD LOAN NO. 7429-AR)

THE PROJECT

The Argentina: Santa Fe Road Infrastructure Project (the Project) aims to improve transport conditions of a segment of National Route 19 between the Province of Santa Fe (PSF) and the Province of Cordoba, Argentina. According to Project documents, under Project Component 1, Route 19 will be widened from the existing two lanes to a four-lane road (motorway or *autovía*)—two lanes in each direction—between the town of Santo Tomé in the PSF and the border of the Province of Cordoba. These works are planned to be the first stage of a program aimed at eventually converting Route 19 into a limited-access high-speed freeway (*autopista*). This Project component also provides for ancillary works such as ground-level interchanges at the intersections with rural and urban roads, and turn lanes and returns at 6-kilometer intervals. The Bank supports the Project with a US\$126.7 million loan to the PSF, guaranteed by the Republic of Argentina.

BOX 9. PROJECT INFORMATION AT A GLANCE

Project Name:	Santa Fe Road Infrastructure Project
Region:	Latin America and Caribbean
Sector:	Roads and highways
Environmental Category:	B
IBRD Loan Amount:	US\$126.7 million
Board Approval Date:	February 13, 2007
Effective Date:	August 17, 2007
Closing Date:	June 30, 2012

REQUEST FOR INSPECTION

The Panel received a Request for Inspection related to the Project on September 13, 2007. The Request was submitted by residents of Franck (the Requesters), a town along the segment of Route 19 to be upgraded under the Project, on behalf of themselves and of other residents of the Project-affected area. The Requesters believed that, based on the current route design and expropriation plans, the Project could cause them harm because the Project design does not adequately provide for rainwater drainage and, as a result, the proposed elevation of the new carriageway will not address the existing serious flooding problem and instead will increase the risk of flooding of lands surrounding the road. They also claimed that the disclosure of information and consultation with af-

affected people about the Project's expropriation process and environmental impacts were not adequate.

MANAGEMENT'S RESPONSE

On November 20, 2007, the Panel received Management's Response to the Request for Inspection. According to the Response, the Bank consistently complied with the OP/BP 4.01 (Environmental Assessment) and OP/BP 4.12 (Involuntary Resettlement) policies, and all the studies and simulations conducted and plans designed during Project preparation meet the requirements of all applicable Bank policies and procedures.

Addressing the issue of flooding that may result from the proposed elevation (0.80 meters) of the new carriageway to be constructed under the Project, the Response stated that the Requesters' claims were not "well founded" and provided no engineering or other evidence in support of their allegations. From a safety and engineering point of view, the proposed elevation is necessary to prevent water from crossing the improved Route 19, as has happened in the past during intense rain with the present configuration of the route.

According to Management, the engineering designs were also reexamined with respect to the risk of flooding after severe rain and flooding of Route 19 in March 2007. A Bank mission traveled to the area to check the Project designs, while the national authorities withheld approval of these designs until the PSF again analyzed and examined them to ensure "their robustness." The Bank and PSF reviews confirmed the soundness of the designs and concluded that the Project would not increase the risk of flooding of the areas surrounding Route 19. As a result, Management claimed that the Project would not worsen the hydrological situation of the area, but to the contrary, would reduce the risk of flooding.

With respect to the consultation process, Management stated that affected people have had numerous opportunities to express their concerns, including in public meetings and through an electronic mailbox and physical mailboxes in 15 communities. Management noted that the Project design underwent a number of changes after consultations with affected people, whose concerns were key in the decision-making process regarding, for example, road alignments of bypasses, the location of road crossings, and the types of restoration programs for urban areas. Management also stated that the Requesters "have participated actively in the consultation process and their concerns about access to productive land have been accommodated in the Project." Management further stated that the Bank's Project team had participated actively in the consultation by taking part in meetings, talking to landowners, and communicating their concerns to the Project Implementation Unit.

Management further stated that in an area where the average size of the properties is 100 hectares, "in fifty percent of the properties less than 4 hectares will be acquired to expand the ROW [right of way]" under the Project. The Response stated that a Resettlement Action Plan (RAP) was prepared in accordance with OP/BP 4.12 (Involuntary Resettlement) and will be implemented before commencing the physical works. Management added that the RAP includes an information and communication program. For landowners, households, and businesses that will be displaced, "additional programs are



National Route 19 in Santa Fe.

included.” For those physically displaced, the program provides support for families and businesses “to restore their socioeconomic conditions to the level that existed prior to displacement.”

ELIGIBILITY PHASE

As part of the eligibility phase, the Panel visited Argentina once more and met with signatories of the Request for Inspection and with other affected people in the area near Santa Fe. The Panel also met with federal and provincial government officials and with local authorities in Santa Fe. During this phase, the Panel’s attention was called to the fact that recent changes in the PSF government and possible changes in the Project Implementation Unit could have had an impact on the Project and the Requesters’ concerns. After discussing the matter with the Executive Director for Argentina and with the Requesters, the Panel determined that the interests of all parties would be better served if the Panel delayed the issuance of its eligibility report and recommendation.

As a result, on December 21, 2007, the Panel requested the Board of Executive Directors to extend the deadline for submitting the Report and Recommendation for about 90 days.

PANEL REPORT AND RECOMMENDATION

Because there were no significant changes to the Project, the Requesters asked the Panel to proceed with the eligibility process. After reviewing the eligibility of the Request for

Inspection and Bank Management's Response to the Request, the Panel determined that the Request and the Requesters satisfy the eligibility criteria for an Inspection. The Panel also noted that the Request and the Management Response and additional communications of both parties with the Panel contain conflicting assertions and interpretations of the issues, facts, compliance with Bank policies and procedures, and harm that could be addressed only with an investigation.

The Panel noted, however, that Management outlined in a communication to the Panel certain actions that Management intends to carry out to improve transparency of land-related information (soil maps and cadastre data), provide capacity building on resettlement and consultations, monitor compensation payments, and ensure continued review of Project design.

The Panel recommended an investigation of the matters raised in the Request for Inspection. The Panel noted that "the investigation would take into account progress in the implementation of the actions noted in the Management Response and other actions being carried out to address the concerns of the Requesters." It added that the investigation, therefore, "will focus on issues raised in the Request that still remain pending, particularly issues related to route design and flood risks, as well as disclosure of information and consultation with project affected people on resettlement and environmental aspects."

The Panel submitted its Report and Recommendation to the Board of Executive Directors on April 18, 2008. The Inspection Panel's recommendation was approved by the Board on a no-objection basis on May 2, 2008.

INVESTIGATION REPORT

The Panel submitted its investigation report to the Board of Executive Directors on July 2, 2009.

In its Report, the Panel concluded that Bank Management and staff had made significant efforts to address the issues raised by the Requesters, to achieve compliance with Bank policies, and to engage in constructive and forthcoming dialogue with the affected people and with the Panel team. Overall, the Panel noted the positive way in which Management dealt with the complaint and strived for appropriate corrections. The Panel also noted, however, that the Project design was considerably more concerned with the impact of environmental conditions on the road rather than the impact of the road on the environment. Similarly, the Panel found that, in spite of compliance with most consultation requirements, the timing of crucial communication activities was at the root of the Request.

The Panel found that Project preparation activities did not adequately carry out the necessary studies to demonstrate that, for any given flood event, the Project would not have an adverse effect on the area flooded and the length of time that the area is flooded. Without these studies, it was not possible to make a categorical assertion on this matter as was done in Project documents, especially with respect to Section I of the road design.

However, the Panel acknowledged that additional studies were carried out after the March 2007 flood event and more after the Panel's October 2008 visit to the Project area. The Panel found that, with respect to the assessment of potential impacts upstream of Road 19, the Project is now consistent with OP/BP 4.01. The Panel also concluded

that the additional studies carried out represent a positive effort to provide quantitative information about the upstream impacts in a form that can be easily understood by the affected parties. The Panel found that this approach, which involved adjustments to the studies and the design in order to address existing and emerging issues, was consistent with Bank policy on project supervision.

Nevertheless, the Panel noted that an analysis of the Project's impacts on flooding in the areas downstream of Road 19 was not carried out. The Panel therefore found that the Environmental and Social Management Plan (ESMP) and technical studies did not fully evaluate the Project's "potential environmental risks and impacts in its area of influence" as required by OP/BP 4.01, and did not properly provide for mitigation measures of potential downstream hydrologic impacts.

With regard to consultations during the Project's design phase, The Panel found that affected people were given the opportunity to meet Project officials to express their concerns and to suggest project design modifications, as required by Bank policy. The Panel also found that many of the concerns related to the design of the Road were generally responded to and acted on. The Panel found that these consultations complied with OP 4.01.

Nevertheless, the Panel drew attention to the fears expressed by the Requesters that the proposed new road may have a negative impact on the hydrology of the area and their claim that their concerns were basically dismissed by Project authorities and Bank staff until a Request for Inspection was submitted to the Panel. The Panel acknowledged that the Requesters were able to meet on various occasions with Project and local authorities and Bank staff, that they could express their worries and, as they state, were always treated with respect. However, during discussions with Project technicians the Panel observed that several of the Requesters' concerns were sometimes dismissed because affected people were characterized as non-experts and not competent to discuss complex hydrological issues. It is the opinion of the Panel that Bank staff did not sufficiently emphasize with the Project Implementation Unit the importance of communicating and consulting with affected people on flood risks and taking the Requesters' many years of field-based experience more seriously.

As noted above, considerable effort was made by the Project Implementation Unit to consult with affected communities, but this process fell short of what had been envisaged in the ESMP and RAP and was not entirely implemented as planned. In particular, the Communication and Community Participation Coordinator was not hired at the start of the project design stage. The Panel noted that hiring a Communication and Community Participation Coordinator at the start of the Project could have resulted in a stronger consultation effort. The extensive delay in hiring an individual with special skills to manage communication and consultation meant that these critical components of the Project,



Panel meeting with Requesters on the side of Route 19.

in particular disclosure of timely and complete information, were managed by engineering staff largely without experience or skills in community consultation. The Panel also noted, however, that Bank staff emphasized the need to hire a communication expert within the Project Implementation Unit on a number of occasions since Project preparation, although the expert was hired only in July 2008. The Panel found that this was in compliance with OP 13.05 (Project Supervision).

The Panel noted that at the time of the investigation visit in October 2008, the Project Implementation Unit had recently prepared and was distributing a brochure for affected people explaining drainage and flood risk management, indicating the higher-risk locations along the road and the preventive and mitigating actions will be implemented. The Panel commended this initiative but also noted that this level of communication with affected people earlier in project preparation could have helped address some of the Requesters' and other people's concerns. Up to that point, communication and consultations with affected people about the flooding management problems seemed to have been limited to providing information about decisions already made, rather than listening and taking the views of affected people into account. The Panel noted that over time this attitude seems to have positively changed.

As a result, the Panel found that even though delays could and should have been avoided, the consultation and communication strategy during Project implementation was consistent with OP 4.01 and OP 4.12, and Bank staff complied with Bank policy on Project Supervision.

MANAGEMENT REPORT AND RECOMMENDATIONS

On August 13, 2009, Management submitted its Report and Recommendations in response to the Panel's findings. Bank Management appreciated the Panel's findings and welcomed its observations. In response to ongoing challenges in the Project, it proposed three areas for action to mitigate the Project's impact. As part of the action plan, Management proposed to conduct a downstream study similar in methodology to the upstream study conducted as part of the Investigation. Management also proposed community meetings throughout the construction phase, with particular attention devoted to presenting past and future hydrologic and hydraulic studies in an easily understandable way. Finally, Management is committed to continue providing the necessary resources to conduct enhanced supervision of the Santa Fe Road Infrastructure Project. Management stated that PSF fully endorsed the Action Plan and was committed to implementing all the items included in the Action Plan that fall under its responsibility.

BOARD DECISION

On October 20, 2009, the Bank's Executive Directors met to discuss the Panel's Investigation Report and the Management Report and Recommendation. These are reflected in the Action Plan for following up on the findings. At the request of the Bank, PSF will conduct an analysis of the Project's potential impacts on flooding risks downstream of Road 19. The study will include environmental mitigating measures if the results identify negative impacts.

The Board thanked the Panel and Management for their reports and approved the Management Action Plan (MAP). Board members highlighted the value of the Panel process and commended Bank Management for its constructive and forthright response to the investigation. It was agreed that Management would report back on the implementation of the MAP in about six months.

FIRST PROGRESS REPORT

Management submitted its first progress report on June 14, 2010. Management has taken action on and substantially completed all MAP items. The counterpart entity (the Government of PSF) has followed through on the MAP implementation.

Management reports that a well-respected engineering consulting firm was hired to carry out the study proposed in the MAP. The study takes into consideration the shortcomings identified by the Inspection Panel: (i) lack of coherence in the basic criteria used in the different studies for upgrading the three sections of Road 19 and (ii) different modeling approaches used in the hydrological studies for the same three sections. The study shows that, for rainfall events with return periods of 25 and 50 years, and even with the exceptional event of March 2007 (equivalent to return periods of 100 years), the “with Project” situation upstream of Road 19 is better than the “without Project” situation. The Project does not affect upstream or downstream performance.

In the period between the presentation of the MAP (August 2009) and the preparation of the progress report, several community meetings were held in the localities along National Road 19 between Santo Tomé and Frontera. Some of these meetings were organized following a request made by the affected people, while others follow the communication plan set in the Project’s ESMP.

To provide information on the progress of works and to remind affected people about all available communication mechanisms, since November 2008 the PSF has produced five information bulletins that were distributed in more than 10 localities in the Project area and sent electronically to the main local radios, newspapers, industries, schools, and municipal governments. (Copies of the information bulletins are available in Project files.) Several of these bulletins include information on flooding issues.

Additionally, Management stated that it is complying with its Project oversight mandate. Three supervision missions (in March, July, and December) led by the Washington-based Task Team Leader were carried out in calendar year 2009. The Project mid-term review supervision mission took place in April 2010, and supervision missions are planned for August and November 2010.

The Panel’s and Management’s reports were made public as required by the Panel’s Resolution and are available on the Panel’s Web site at <http://www.inspectionpanel.org>, along with a press release about the discussions held at the board meeting

Land Administration Project (Programa Nacional de Administración de Tierras—PRONAT)

(LOAN NO. 7045-PAN)

BOX 10. PROJECT INFORMATION AT A GLANCE

Project Name:	Land Administration Project (Programa Nacional De Administración de Tierras—PRONAT)
Region:	Latin America and the Caribbean
Sector:	Public Administration, Law, and Justice
Environmental Category:	B
IBRD Loan Amount:	US\$47,900,000
Board Approval Date:	January 16, 2001
Effective Date:	July 19, 2001
Project Restructuring Effective:	June 23, 2006
Closing Date:	December 31, 2009

THE REQUEST

On February 25, 2009, the Inspection Panel (the Panel) received a Request for Inspection related to the Panama: Land Administration Project (the Project—in Spanish, Programa Nacional de Administración de Tierras—PRONAT). The Request was submitted by representatives of the Naso People and was registered by the Panel as IPN Request RQ09/01 (the First Request). A second Request for Inspection related to the same project was submitted by leaders of the “*Congreso de Area Anexa de la Provincia De Bocas Del Toro*” on behalf of the communities that live in the so-called “*áreas anexas*” (annex areas) to

the Comarca Ngöbe-Buglé in the Bocas del Toro Province. This request was registered on March 20, 2009 as IPN Request RQ 09/04 (the Second Request).

THE PANEL’S ELIGIBILITY REPORT AND BOARD’S DECISION

To determine the eligibility of the Requests and whether an investigation was warranted, the Panel visited Panama from June 8 through 12, 2009, and met with various stakeholders, including the signatories of the Requests and other affected people, Government officials, and representatives of the Project Implementation Unit and Bank staff in Panama City. The Panel determined that both Requests for Inspection met the eligibility requirements set forth in the Resolution. The Panel recommended that an investigation be carried out, but also that the beginning of the investigation be delayed for approximately four months due to the fact that a new Government was taking office in the Republic of Panama and to allow time to implement the actions proposed by Management



Ngöbe project-affected community in meeting with Panel Team.

in its Response. The Board of Executive Directors approved the Panel's recommendation on July 7, 2009.

INVESTIGATION

The Panel's investigation is currently under way. To assist in the investigation of the issues raised in the Request, the Panel retained a recognized expert in indigenous peoples land rights and tenure issues and extensive experience in mapping and demarcating indigenous lands in Central and South America.

Land Management and Administration Project (LMAP)

(IDA CREDIT NO. 3605-KH)

BOX 11. PROJECT INFORMATION AT A GLANCE

Project Name:	Land Management and Administration Project
Region:	East Asia and Pacific
Sector:	Public Administration, Law, and Justice; Education; Industry and Trade
Environmental Category:	B
IDA Credit Amount:	US\$23.4 million equivalent
Board Approval Date:	February 26, 2002
Closing Date:	December 31, 2009

REQUEST, ELIGIBILITY AND BOARD DECISION

As stated earlier in this Report, on September 4, 2009, the Panel received a Request for Inspection related to the above-referenced Project. On September 24, 2009, the Panel registered the Request and a Panel team visited Cambodia from November 16 to 19, 2009, to determine the eligibility of the Request and Requesters. During the visit, the Panel team met with, inter alia, the

organization representing the Requesters, signatories of the Request, Government officials and Bank Management. The Panel determined in its Report and Recommendation, dated December 2, 2009, that the Request satisfied the eligibility criteria for an investigation. However, the Panel chose to refrain from issuing a recommendation at that time on whether an investigation was warranted, but rather to await further developments, especially because Management was trying to establish a dialogue with the Government to address the concerns of the Requesters. The Panel agreed to make a determination by March 31, 2010, as to whether to recommend an investigation. Following the submission of its first Eligibility Report, Management informed the Panel that it had initiated a dialogue with the Government of Cambodia; however, both Management and the Requesters indicated that no progress had been made on the ground to implement specific actions. The Panel submitted its Final Eligibility Report on March 31, 2010. In this Report, the Panel recommended that the Board of Executive Directors approve an investigation of the concerns raised by the Request. On April 13, 2010, the Board of Executive Directors approved the Panel's recommendation for a Panel Investigation on a no-objection basis. As stated earlier in this Annual Report, at the time of this writing, the Panel is in the process of investigating the matters alleged in the Request.

Lima Urban Transport Project

(LOAN NO. 7209-PE AND GEF TF NO. 052856)

REQUEST, ELIGIBILITY AND BOARD DECISION

As per the earlier sections of this Report, on October 1, 2009, the Panel received a Request for Inspection related to the above-referenced Project and registered it on October 14, 2009. To determine the eligibility of the Request and whether an investigation of the issues raised by the Requesters was warranted, the Panel visited Peru from December 7 to 9, 2009, and met with, inter alia, signatories of the Request, other Project-affected people, national and local authorities and Bank staff in Lima. The Panel determined that the Request for Inspection satisfied the eligibility criteria for an investigation and recommended that one be carried out. The Panel noted that the investigation would focus on the issues raised by the Request as they relate specifically to Barranco, including in particular the potential longer-term impacts of the Project and the adequacy of related mitigation measures. The Board of Executive Directors approved the Panel's recommendation on December 30, 2009. The Panel's investigation is currently under way.

BOX 12. PROJECT INFORMATION AT A GLANCE

Project Name:	Lima Transport Project
Region:	Latin America and the Caribbean
Sector:	General Transport Sector
Environmental Category:	B
IBRD Loan Amount:	US\$45 million
Board Approval Date:	December 9, 2003
Effective Date:	December 15, 2004
Closing Date:	December 30, 2010

Smallholder Agriculture Development Project

(IDA CREDIT NO. 43740-PNG)

BOX 13. PROJECT INFORMATION AT A GLANCE

Project Name:	Smallholder Agriculture Development Project
Region:	East Asia and Pacific
Sector:	Roads and Highways
Environmental Category:	B
IDA Credit Amount:	US\$17.7 million equivalent
Board Approval Date:	December 18, 2007
Effective Date:	January 28, 2009

REQUEST, ELIGIBILITY AND BOARD DECISION

As stated earlier in this Report, on December 8, 2009, the Panel received a Request for Inspection related to the above-referenced Project and registered it on December 17, 2009. To determine the eligibility of the Request and whether an investigation of the issues raised by the Requesters was warranted, a Panel team visited Papua New Guinea from

February 16 to 20, 2010. During its visit, the Panel team met with, inter alia, the signatories of the Requesters, national and local authorities and Bank staff. In its Report and Recommendation, submitted to the Board of Executive Directors on March 10, 2010, the Panel determined that the Requesters and the Request satisfied the eligibility criteria for an investigation. The Panel also noted that there are conflicting assertions and differing views on issues of harm and compliance with policies and procedures, as evidenced by the various statements made in the Request, in the Management Response, and in the Panel's meetings with affected people and with Bank staff. In light of these observations, the Panel recommended that an Investigation take place on the issues raised by the Request. On March 25, 2010, the Board of Executive Directors approved the Panel's recommendation. The Panel is currently in the early stages of this investigation.

ACTIONS ON EARLIER REQUESTS

RECORD OF FOLLOW-UP ACTIONS AND PENDING MANAGEMENT PROGRESS REPORTS

JUNE 30, 2010

Set forth below is the record of management progress reports as of June 30, 2010. Specific cases are summarized in the following pages.

CASES	FOLLOW-UP ACTIONS (POST-INVESTIGATION)	PENDING ACTION	EXPECTED DUE DATE
Democratic Republic of Congo: Private Sector Development and Competitiveness Project (2009) ¹		Management Progress Report	February 2011
Uganda: Private Power Generation Project (Bujagali) (2007)	First Progress Report (September 2009) Panel Return Visit (May 2009)	Second Management Progress Report	September 2010
Ghana: Second Urban Environment Sanitation Project (2007)	Panel Return Visit (July 2009)	Management Progress Report	Delayed; expected date was December 2009
Albania: Integrated Coastal Zone Management and Clean-Up Project (2007)	First Progress Report (July 2009) Second Progress Report (March 2010)	Third Management Progress Report	End of 2010
Nigeria: West African Gas Pipeline Project (2006)	First Progress Report (April 2009) Second Progress Report (December 2009) Panel Return Visit (November 2008)	Third Management Progress Report	December 2010
DRC: TSERO & EESRSP (2005)	Progress Report (March 2009) Panel Return Visit (February/March 2008)	Second Management Progress Report	Delayed; expected date was March 2010
India: Mumbai Urban Transport Project (2004)	First Management Progress Report (March 2007) Inspection Panel Progress Report (June 2007) Second Management Progress Report (November 2007) Third Management Progress Report (March 2009) Fourth Management Progress Report (May 2010) Panel Return Visit (May 2006)	Fifth Progress Report	May 2011

1. The case is in the eligibility phase.

Mumbai Urban Transport Project

(LOAN NO. 4665-IN; CREDIT NO. 3662-IN)

BOX 14. PROJECT INFORMATION AT A GLANCE

Project Name:	Mumbai Urban Transport Project
Region:	South Asia
Sector:	Railways, Roads and Highways, Other Social Services
Environmental Category:	A
IBRD Loan Amount:	US\$463 million
IDA Credit Amount:	US\$79 million
Board Approval Date:	June 18, 2002
Effective Date:	November 6, 2002
Closing Date:	June 30, 2008

BACKGROUND

On April 28, 2005, the Panel received the first of four successive and jointly processed Requests for Inspection related to the India: Mumbai Urban Transport Project. The Panel issued its Investigation Report on December 21, 2005. Management submitted its Report and Action Plan in response to the Panel's findings to the Board on February 27, 2006. On March 1, 2006, the Bank suspended disbursement to the road and resettlement component of the Project.

The State of Maharashtra agreed to a 10-condition strategy for lifting the suspension of disbursements. The Board of Executive Directors discussed the Panel's Investigation Report and Management's Report and Recommendation in response to the Investigation Report and approved both Reports and endorsed the Management Action Plan. It was agreed that Management would submit a Progress Report to the Board within six months and that the Panel would report on progress to the Board.

On June 29, 2006, the Bank lifted the suspension of disbursement because the State of Maharashtra had substantially met the conditions set by IBRD/IDA for lifting the suspension. On March 1, 2007, Management submitted its first Progress Report to the Board of Executive Directors. The Panel submitted its progress review on June 5, 2007. While the Panel observed that the overall situation at the resettlement sites seemed to have improved, it noted that a number of issues still needed to be resolved and that many target dates listed in Management's Action Plan had not been met. More specifically, the Panel noted that the situation of the first group of Requesters, the United Shop Owners Association (USOA), had still not been resolved and that acceptable solutions for the shopkeepers had not been found. The Panel also noted ongoing discussions between the

USOA and the local agency, Mumbai Metropolitan Region Development Authority (MMRDA), about a proposal for in situ development. The Panel was also informed about land reservations that would have to be removed to develop the area and to realize the in situ development.

On May 1, 2008, the first group of Requesters, the USOA, submitted a letter to the Chairperson of the Inspection Panel expressing “[t]hanks for your kind support for expediting of our in-situ project.” They also expressed their gratitude toward the local agencies involved as well as the World Bank for “expediting our in-situ project as per your promise.” In their letter, they informed the Panel that they had vacated Project-affected land as agreed and that the developer had supported them in setting up the necessary infrastructure. With regard to the land reservations on the land needed for the in situ development, the USOA wrote that they “would appreciate the Government of Maharashtra and all component departments if the necessary clearance will be provided at the priority basis to expedite the in-situ project.”

NEW DEVELOPMENTS

Management submitted its second Progress Report on November 13, 2007, its third Progress Report on April 23, 2009, and its fourth Progress Report on June 9, 2010. In the second Progress Report, Management stated that “significant progress had been achieved with resettlement” but that “key challenges” remain in the implementation of the full Action Plan. The third Progress Report said that “progress in implementation of the Borrower Action Plan has been real but moderate” with some Action Plan components making more progress than others. Management said that it will continue to provide technical assistance to MMRDA for implementation of the Action Plan and will report on progress again in one year’s time.

In the fourth and most recent Progress Report, Management writes that the Project “continues to be implemented slowly within a challenging environment” and negotiations with and resettlement of shopkeepers have been “mostly completed, with the exception of some cases related to land acquisition or religious structures.” Management notes that MMRDA is continuing to resettle Project-affected people (PAPs) through negotiated settlements and that post-resettlement activities have been “exemplary.” Moreover, Management reiterates its commitment to monitor progress of R&R issues beyond loan closure, in accordance with provisions of OP 4.12, which states that a Project is not considered complete and that the Bank’s implementation support continues until resettlement measures set out in the Action Plan are implemented.

According to the fourth Progress Report, the concerns of shopkeepers from Santa Cruz-Chembur Link Road (SCLR), the first group of Requesters, have been “almost resolved.” This group includes the Kismat Nagar Welfare Association, which signed a Memorandum of Understanding (MoU) with MMRDA in 2007 for in situ resettlement in a private scheme; and another group, the USOA, which split into two, with the majority group signing an MoU with MMRDA agreeing to settle in a new shopping complex in Motilal Nehru Nagar in the Bandra-Kurla Complex. The other USOA group of 50 shopkeepers, in a letter copied to the Inspection Panel dated May 26, 2010, signaled their willingness to vacate their premises and accept a private in situ resettlement scheme.

The third group of Requesters, according to Management, will not be affected, as MMRDA has stated that the Project will not disturb their premises. The fourth group of Requesters, the shopkeepers who affected by the Road-over-Bridges (ROB) component, have not been resettled, as the ROB component has been removed from the Project. Management states that this group will be resettled according to an agreed procedure outlined in the third Progress Report.

Besides the original group of Requesters, the Panel received several communications from residents of Mumbai claiming to be affected by the Project and forwarded these to Management for appropriate followup. In all instances, Management contacted the parties that had submitted complaints and initiated a dialogue to respond to their complaints, with some efforts still ongoing.

Another significant development, as seen in later sections of this report, was the submission of a new complaint on May 29, 2009. The Panel registered the Request on June 9, 2009, and Management submitted its Response on July 13, 2009. On September 15, 2009, the Board of Executive Directors accepted the Panel's Recommendation on a no-objection basis that further processing of this Request be discontinued, given the Requesters' satisfaction with the resolution of their concerns.

West African Gas Pipeline Project

(IDA GUARANTEE NO. B-006-0-GH)

THE REQUEST

On April 27, 2006, the Panel received a Request for Inspection related to the Ghana: West African Gas Pipeline Project (the Project). The Project covers four countries: Benin, Ghana, Nigeria, and Togo. However, the Request was submitted by the Ifesowapo Host Communities Forum of the West African Gas Pipeline Project through their representatives from the Olorunda Local Government Area of Lagos State, Nigeria (the Requesters). The Request was submitted on behalf of 12 communities that will be affected by the Project around the Badagry axis, in Lagos State, southwest Nigeria. These communities are Ajido, Imeke Agemowo, Araromi Ale, Idaghe Iyesi, Ilogbo Eremi and Igbesa, Okoomi, Itori, Oloya/Abiola, Arobieye, Igboliye, and Egushi Benja. On June 9, 2006, the Panel received a letter from Friends of the Earth–Ghana (FoE–Ghana) expressing its support for the above Request and asking to be added to the Request for Inspection.

The Requesters believed that the Project would cause irreparable damage to their land and destroy the livelihoods of their communities. According to the Requesters, the scope of the Environmental Impact Assessment was too narrow and should have included the existing Escravos-Lagos Pipeline System, to which the West African Gas Pipeline will be linked. They stated that although the West African Gas Pipeline Company (WAPCo) periodically consulted landowners, other “*stakeholders*” were wrongly excluded. The Requesters asserted that the payment of compensation, which was “*in most cases less than 4% of the market rate,*” was left to the discretion of the Project sponsors, resulting in compensation paid only for the actual crops on the affected land and not for the land or loss of future profits from their activities on the land. The Requesters also questioned the economic evaluation of the Project. Moreover, the Request-

BOX 15. PROJECT INFORMATION AT A GLANCE

Project Name:	West African Gas Pipeline Project
Region:	Africa
Sector:	Oil and Gas
Environmental Category:	A
IDA Credit Amount:	US\$50 million
Board Approval Date:	November 23, 2004
Effective Date:	December 31, 2004
Closing Date:	June 30, 2009

ers asserted that the Bank did not comply with a number of its policies and procedures, including OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.01 (Environmental Assessment), OP/BP 10.04 (Economic Evaluation of Investment Operations), OP/BP 13.05 (Project Supervision), OP/BP 4.15 (Poverty Reduction), and the World Bank Policy on Disclosure of Information.

The FoE–Ghana Submission supports the original Request for Inspection and raises concerns about the Project’s economic benefit to Ghana, consultation, safety, and adverse livelihood consequences for fishermen in Ghana as a result of the construction and operation of the pipeline. According to the Submission, the economic and financial analysis of the Project was never disclosed, although this was initially promised.

MANAGEMENT RESPONSE

On June 6, 2006, Management submitted its Response addressing the issues raised by the Ifesowapo Host Communities Forum, and on June 22, 2006, Management submitted its Clarifications to the Panel on the concerns raised by FoE–Ghana. Management, in its initial Response, stated that the Project is well prepared and meets the Bank’s safeguards requirements.

According to Management, the Environmental Assessment (EA) concluded that the Project would cause no major impacts in Nigeria and that impacts would be limited to the Project’s immediate vicinity. Management also claimed that the EA covers pipeline safety issues but did not include the Escravos-Lagos Pipeline System because it was not determined to be part of the Project’s area of influence. Management claimed that an environmental audit concluded that the Escravos-Lagos Pipeline System was in good condition overall. Management noted in its Response that the Project acquires small portions of land, and indicated that the principle for compensation agreed upon and applied is the “*replacement value*” for land and assets, considering all future production as required under Bank policies. Management indicated its readiness to correct cases where the principle for compensation “*has been applied inconsistently,*” and confirmed that it is reviewing the actual payments to ensure that “*the principle of replacement value for lost assets was met.*” Furthermore, Management emphasized in its response that WAPCo has instituted community development programs that include new water systems, schools, and health centers. Regarding disclosure of information, Management acknowledged that disclosure should have been supplemented with translations of summaries of the Resettlement Action Plan (RAP) and the Environment and Social Management Plan (ESMP) in Yoruba, the local language. Management claimed that the economic analysis considered all alternatives, including the “no Project” alternative. Additionally, Management believed that Project documents draw a realistic picture of the Project’s contribution to gas-flaring reduction.

Realizing that some issues still needed to be addressed, Management introduced an action plan to resolve the situation. The plan includes the facilitation of community development programs and measures to increase transparency and accountability by conducting two supervision missions per year until Project completion. Additionally, Management stated that WAPCo will disseminate nontechnical translations of RAP and ESMP summaries, including explanations of the grievance and monitoring mechanisms.

Management also stated that it will assess whether compensation rates are sufficient to replace acquired assets and the status of income restoration. Moreover, Management expected the appointment of an expert panel to review social and environmental issues and assess effectiveness of the grievance procedures.

THE PANEL'S ELIGIBILITY REPORT AND BOARD DECISION

The Panel submitted its Report and Recommendation to the Board on July 10, 2006. In this Report, the Panel established that the Requesters and the Request met the eligibility criteria set forth. The Panel noted that Management's Response contained a series of proposed steps to address the issues raised. Furthermore, when consulted about these, the Requesters with whom the Panel met indicated that they did not want to press for an investigation but rather await further developments and Bank actions regarding their concerns. The Panel recommended the deferral of the decision on whether an investigation was warranted, and the Board of Executive Directors approved this recommendation on July 27, 2006.

FINAL ELIGIBILITY REPORT AND RECOMMENDATION AND BOARD DECISION

Between January 24 and 30, 2007, the Panel conducted a field visit in Nigeria to follow up on Management's progress in addressing the Requesters' concerns. During this visit, the Panel met with WAPCo officials, who noted that they had not been adequately informed by Management regarding the content of Management's Response and the extent to which it required actions on their part. The Panel also observed that there seemed to be a lack of information regarding the compensation issues raised and apparent disagreement regarding the situation of the fishermen and the cause of pollution. The Panel further noted that affected people seemed not to have been informed or consulted about actions set forth in the Management Response. Furthermore, during this visit, a group of persons from the Escravos area of the western Niger Delta submitted a letter to the Panel to express their support for the Request and to ask that their names be added to it. The Panel submitted its Final Eligibility Report and Recommendation to the Board on March 1, 2007. The Panel recommended to the Board that an investigation be conducted into claims made by the Requesters. The Board approved the Panel's recommendation on March 13, 2007.

THE INVESTIGATION REPORT

The Panel submitted its Investigation Report to the Board on April 25, 2008. The Panel found that the complexities of the traditional land tenure system were not adequately taken into account and the size of displaced population seemed to be underestimated as a result of the methodology of averages used for their identification. The Panel found that the land-based resettlement option was not effectively offered to displaced persons as a viable option for livelihood restoration. Livelihood restoration, assistance beyond compensation, and benefit sharing were not properly negotiated with displaced persons. The Panel found that displaced people were paid one-tenth of what was planned in RAP. On

related findings, the Panel established that the lack of meaningful and timely consultation prevented participation and informed negotiation of resettlement options by displaced persons. The Panel added that Management failed to ensure that the Project sponsor had an effective grievance process in place to identify and redress resettlement issues.

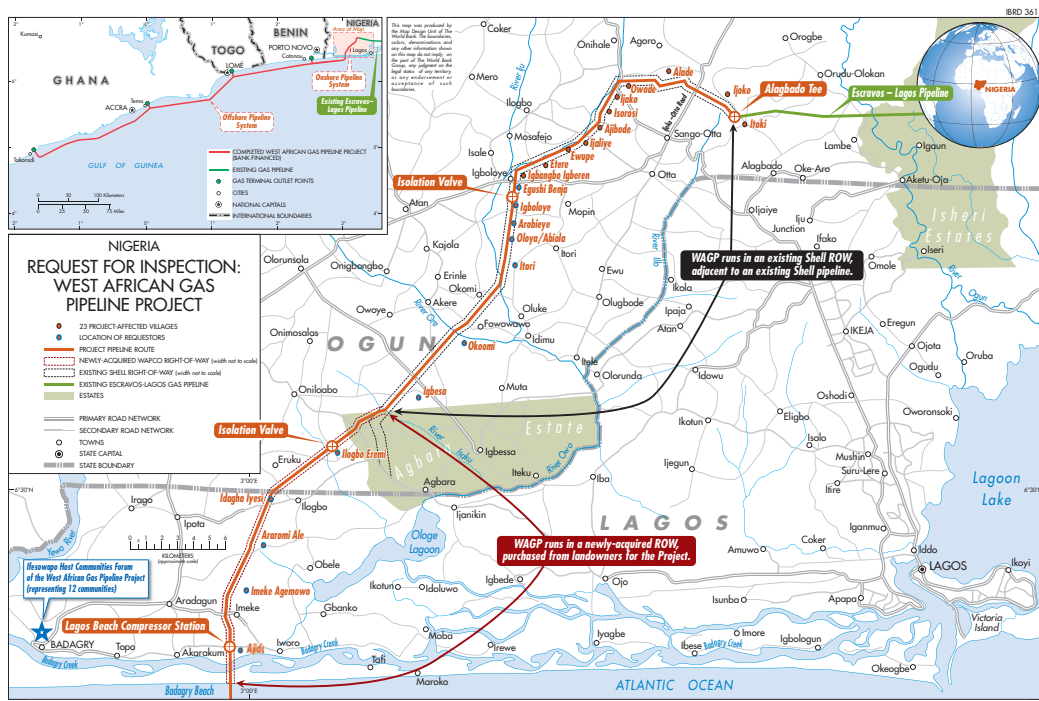
In terms of the Project's area of influence, the Panel found that the gas supply system upstream of the pipeline was within that area, and that associated facilities should be viewed as an interconnected system for purposes of the Environmental Assessment considering both potential benefits and adverse impacts. The Panel also found that Management failed to establish a full economic evaluation of the alternative offshore pipeline route and failed to establish an independent advisory panel in a timely manner. The Panel found that the West African Gas Pipeline's connection to the Escravos-Lagos Pipeline System had the net effect of subjecting the ELP system to thorough review and inspection; defects were detected and corrected; and safety and operational systems were modernized. The Panel also found that there were apparent inconsistencies in Management documents with respect to expected contribution of flaring reduction. In terms of Project supervision, the Panel found that there were long gaps between missions before the Request was registered.

Finally, the Panel identified a number of systemic issues: (1) Management placed too much faith in Project sponsor's ability to handle complex social issues in spite of a troubled history in the Nigerian oil and gas sector; (2) because of apparent lack of available supervision resources (funds and expertise), warning signs in the Project design phases were not properly interpreted and dealt with; (3) an ongoing regional or in-country Management presence was initially not considered; and (4) the repeated references to secondary benefits raised levels of expectation among those mainly interested in these benefits.

THE MANAGEMENT RESPONSE

Management submitted its Report and Recommendations, including an action plan, on June 30, 2008. In it, Management proposed to translate the Environmental Management Plan (EMP) executive summary into Yoruba and disseminate it. It proposed to obtain annual data on the respective volumes of associated and non-associated gas sent to the pipeline through the ELP system. Management proposed to maintain continuous formal and informal supervision and periodic reviews of Project implementation and proposed to allocate adequate budgetary resources for these supervision efforts. Management also proposed to document lessons learned on public-private partnerships and develop best practice toolkits for teams handling similar complex projects.

Concerning the ELP system integrity study, Management stated that it identified safety and reliability improvements that could be made. This study, which could not be publicly disclosed because of content that is sensitive for pipeline security, confirmed that the system was in satisfactory condition to deliver gas to the West African Gas Pipeline without modification. Management also added that new facilities to supply additional gas would not be required within the medium term (five to ten years) or longer. On the gas-flaring concerns, Management stated that this Project was not the right tool to address the socio-environmental conditions in the Niger Delta. It added that the pipe-



Section of WAGP crossing Nigeria onshore.

line’s contribution to flaring reduction would at most be 5% of current flaring volume. Management added that the Government of Nigeria, with Bank and Global Gas Flaring Reduction assistance, drafted a Downstream Gas Act and a revised oil and gas fiscal system to support emergence of a domestic market.

BOARD MEETING

On August 5, 2008, the Bank’s Executive Directors met to discuss the Panel’s Investigation Report and Management Report and Recommendations. At the Board meeting, there was wide agreement with the Panel’s findings and the measures outlined in the action plan. Following the endorsement of the action plan, it was agreed that Management would submit an update to the Board in six months and provide a project implementation report in a year’s time, in consultation with the Panel. Between November 16 and 21, 2008, a two-person Panel team returned to Nigeria and Ghana to hold meetings with community representatives, WAPCO officials, and Government officials to convey the results of the Panel investigation and the related meeting of the Board of Executive Directors of the Bank. The Panel team met with stakeholders in Badagry, Warri, and Abuja, Nigeria, and in Accra, Ghana.

FIRST PROGRESS REPORT

Management sent its First Progress Report to the Board of Executive Directors on April 29, 2009. Management stated that WAPCO completed a census of Project-affected people’s basic information for additional compensation, which was considered satisfactory. A new methodology for calculating additional payments for crops and trees was also

recommended. Management stated that it would finalize the socioeconomic survey on livelihood and income by first quarter 2009. Management reported that a key accomplishment included the completion of the process of additional payment for land, crops, and trees in Nigeria.

Management stated that it found the grievance process in Nigeria to be effective because it is based on local and traditional systems of dispute resolution. Except for some cases that have been subject to litigation, the average period for grievance resolution was about two months. It also stated that WAPCo now has a total of 11 staff performing community and government relations responsibilities as its social safeguards team. It added that a workshop on livelihood restoration was planned in the first quarter of 2009 as part of the WAPCo safeguards training.

Concerning the environment, Management stated that the Environment and Social Advisory Panel was retained until July 2009. It also stated that data on the respective volumes of associated and non-associated gas sent to the West African Gas Pipeline through the ELP system would not be available until December 2009. Management added that WAPCo conducted Emergency Response Plan awareness briefings for more than 170 community residents in Nigeria and Ghana, and produced and distributed a Yoruba-language safety brochure. It also added that awareness briefings would continue during the following six months.

Concerning its supervision efforts, Management stated that it has instituted a system of monthly field visit by the Task Team. It also stated that the Regional Vice President requires periodic updates and that quality of safeguards implementation is monitored by the Task Team and the management Implementation Status Reports. Management further stated that it has carefully documented supervision lessons on incorporating local traditions into compensation payment processes.

SECOND PROGRESS REPORT

Management sent the Board of Executive Directors its Second Progress Report on December 10, 2009. In its Report, Management relayed the progress in the implementation of the action plan. Management stated that since the last Progress Report in February 2009, significant progress had been made on the physical works: free-flow gas was delivered to the Takoradi Power Company from April 26 to May 16, 2009, until the supply from Nigeria was disrupted on account of vandalism; and mobilization of new contractors at all locations and mechanical completion were expected by December 2009, with pre-commissioning activities planned during first quarter 2010.

Management added that in terms of implementation of the action plan, key accomplishments on resettlement include (1) community development projects (CDPs) for Years 1 and 2 largely delivered to beneficiary communities and being audited; (2) appointment of a focal person and development of targeted programs for vulnerable groups; (3) enhanced disclosure and consultation activities with affected communities; and (4) implementation of the grievance mechanism to resolve complaints within agreed time periods. Further activities relating to the social aspects of the Project include (1) Year 3 CDPs focusing on livelihood and income-generating activities; (2) additional compensation for land, crops, and trees for lands with over 50 percent of land take in

Benin; and (3) establishment of a socioeconomic database to monitor and evaluate project outcomes.

Concerning the environment and safety, Management stated that actions completed and achieved include (1) collaborating with stakeholders on environmental management plan (EMP) and safety training; (2) preparing and disseminating emergency response plan and safety brochures; (3) putting a new EMP monitoring contract in place and completing the first progress report; (4) marking the pipeline on navigational charts and protecting it with a “no anchor” zone; and (5) putting up pipeline markers and buoys at Takoradi, Tema, Lome, and Cotonou. Management considered that while all actions under the action plan are completed, the independent Environment and Social Advisory Panel identified a number of actions that could further strengthen the environmental compliance of the West African Gas Pipeline. WAPCo took note of these actions and is undertaking appropriate measures to address these concerns.

Management also stated that concerning the institutional issues and the Project’s supervision, concerted efforts were made, including (1) WAPCo taking steps for a smooth transition from the construction to the operational phase; (2) providing training on environmental and social safeguards to WAPCo staff and contractors; and (iii) undertaking monthly field visits up to February 2009, a full supervision mission in July 2009, and a Bank-wide seminar in Washington, DC, in June 2009 to share WAGP experiences and lessons learned for Africa regional operations.

Management added that some implementation challenges remain, both in implementation of the Project and the action plan. These challenges include (1) completing the remaining works, especially the compressor station in Nigeria, and commissioning the Reduction and Metering station and connecting line at Cotonou (Benin) by the end of 2009; (2) obtaining gas supply from Nigeria for compressed gas volume (at least 133 million cubic feet per day) from the first quarter of 2010; (3) developing and finalizing a livelihood restoration strategy with an appropriate monitoring and evaluation system, payment of additional compensation in Benin, and initiation of Year 3 CDPs on livelihood restoration; (4) enforcing the no-anchor zone in Benin, Togo, and Ghana; and (5) receiving the Takoradi Power Company’s financial obligation toward the escalated Project cost. Management also added that it was working with WAPCo to resolve these implementation challenges. Management proposed reporting back to the Executive Directors in a year on progress achieved to date.

The Panel’s and Management’s reports were made public as required by the Panel’s Resolution and are available on the Panel’s Web site at <http://www.inspectionpanel.org>, along with a press release about the discussions held at the Board meeting.

Private Sector Development and Competitiveness Project

(IDA CREDIT NO. 3815-DRC)

BOX 16. PROJECT INFORMATION AT A GLANCE

Project Name:	Private Sector Development and Competitiveness
Region:	Africa
Sector:	General Transportation; Mining and Other Extractive; General Energy; General Finance; Telecommunications
Environmental Category:	B
IDA Credit Amount:	US\$120 million equivalent
Board Approval Date:	July 29, 2003
Effective Date:	December 2, 2003
Closing Date:	December 31, 2012

THE REQUEST

In addition to the two Requests received on February 27 and March 13, 2009, and the “*petition*” received on March 26, 2009, the Panel received a third Request for Inspection related to the Democratic Republic of Congo (DRC): Private Sector Development and Competitiveness Project (the Project). The first two Requests and the petition were submitted by former employees of state-owned enterprise Générale des Carrières et des Mines (Gécamines). These employees were all im-

acted by a Voluntary Departures Program (VDP) supported by the Bank.

On December 15, 2009, the Inspection Panel received a third Request for Inspection related to another retrenchment operation financed by the Project and registered it on January 7, 2010. Freddy Kituba Kimbwel and Timothée Lobe Bangudu, both residents of Kinshasa-Gombe, Kinshasa, DRC, submitted the Request on behalf of the *Intersyndicale*. The *Intersyndicale* represents former employees of three state-owned banks: the Banque de Credit Agricole, the Banque Congolaise du Commerce Exterieur, and the Nouvelle Banque de Kinshasa.

The Gécamines (the Requesters) claim that the Bank-financed VDP resulted in the dismissal of 10,655 Gécamines workers from August 11, 2003, to February 6, 2004, in exchange for severance payments ranging from US\$1,900 to US\$30,000. They add that the reintegration effort, in the form of social assistance and training, should mean that the employees receive their severance allowance and are engaged in individual or collective activities enabling them to earn the necessary income for their own survival and that of their dependents.

The Requesters state that the special rules and procedures the Bank adopted for this operation, including the payment of a lump-sum amount, are in contravention of certain provisions of the Congolese Labor Code. They add that they were deprived of wage arrears and the final reckoning to which they are entitled and which they should have collected if their contracts had not been terminated in this manner. They also add that they were “*deprived of all other social advantages (...) and have lost all acquired benefits of any kind.*” They state that this sudden adaptation to “*a life of poverty*” has caused great harm to the victims of the VDP.

The Requesters who sent the third Request stated that the Central Bank of DRC, under the Project’s umbrella, liquidated the three state-owned banks mentioned above, which led to the dismissal of 3,480 employees. According to the Requesters, the conditions determined for their retrenchment were drafted “*unilaterally*” by the consultant hired by the Government, financed under the Project, and agreed to by the World Bank. They added that the only choice they had was “*to take the deal or leave it,*” which according to them violates their rights.

The Requesters stated that the amounts owed to them were not paid within the mandatory period, the last payment being made in 2009 with several years’ delay. The Requesters stated that this operation led to “*disastrous social conditions*” for the affected ex-employees. Further, they referred to a recalculation of the Congolese Labor Inspector in 2004, which estimated that a total amount of US\$60,008,447 should be paid, in contrast with the consultant’s estimate of US\$13,409,686.

MANAGEMENT RESPONSES

Management submitted two separate Responses. The first was in relation to the Gécamines Requests (the First Response) and the second in relation to the Bank’s Request (the Second Response). The Second Response also included an update relating to the Gécamines Requests, a section on the social costs of public enterprise reforms in DRC, and a section on lessons learned in the context of this Project.

Management submitted its First Response on April 27, 2009. In it, Management stated that it “*made every effort to apply its policies and procedures and to pursue concretely its mission statement in the context of the Project.*” Management added that “*the Requesters’ rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.*”

According to Management, the VDP took place between March 2003 and February 2004. Management stated that Gécamines had initially calculated the cost of terminating employment on a voluntary basis for 11,000 employees at around US\$120 million. As this represented an impossible financial burden, the Government decided to put in place a program of mutually agreed separation. The initial proposal by the Government to Gécamines employees in June 2002, consisting of a first VDP payment scale for a total amount of US\$25 million, was rejected by the trade unions in the same month. The Government then decided to hire an international consultant with experience in retrenchment plans to help reach an agreement with the trade unions.

The consultant undertook a detailed analysis of the laws and regulations governing retrenchments in DRC, and for Gécamines specifically, as well as consultations with the

trade unions and the Government. The VDP finally agreed by the trade unions and the Government in March 2003 amounted to US\$43.5 million. According to Management, as a result of the consultant's work, the VDP established an average payment amount of US\$4,083 with a minimum of US\$825 and a maximum of US\$60,773. The payments started on August 11, 2003, and ended on March 11, 2004.

On compliance with Bank Policies, Management states that the Bank team made every effort to meet the requirements of Bank policies. Management added that in March 2009 it sent a team to Katanga to meet with Requesters in Likasi. As a result of this visit, Management proposed some actions to be taken with regards to the Gécamines' VDP and actions to be taken for other past and forthcoming retrenchment plans.

The Second Response was submitted on March 9, 2010. In this Response, among other things, Management provided an update on current and forthcoming actions concerning the VDP and some information on the social costs of public enterprise reform in DRC.

Management stated that by September 2002, the Government intended to place the three public sector banks identified as nonviable into liquidation. The liquidation of the three banks was officially announced on March 10, 2003. Labor contracts of the employees of these banks were formally terminated on April 30, 2003, for Banque Congolaise du Commerce Extérieur; on May 5, 2003, for Nouvelle Banque de Kinshasa; and on June 20, 2003, for Banque de Credit Agricole. The Government requested the World Bank's support to carry out the liquidation of the state-owned banks by financing the liquidators and supporting the financing of severance packages for the banks' employees. Management stated that an international consultant (the same as for Gécamines) was hired with World Bank financing to analyze the situation based on available data and propose a compensation scale. The consultant did not have reliable data, and in 2004 recommended using a barème (fixed salary scale). According to Management, the severance payments were made between November 2005 and August 2006. Effectively, the 3,473 employees of the three banks received a total of US\$13.4 million, or an average US\$3,860 per employee.

According to Management, the implementing agency sent a letter to the Bank, with a copy of the latest letters between the Prime Minister, Ministry of Finance, and the Governor of the Central Bank on this matter, informing the Bank that this sensitive question was an internal matter to be solved by the Government of DRC. However, Management proposed some actions, including providing technical assistance to the former employees of the liquidated banks to access the national pension system and providing support to the Government to undertake a qualitative survey of former bank employees to have a better understanding of their current situation. In the conclusion of its Second Response, Management stated that it believed that it followed the guidelines, policies, and procedures applicable to the matters raised by the Request.

Concerning the ex-employees of Gécamines, Management stated that following the socioeconomic survey it conducted on the former employees, it proposed to the Government additional follow-up measures for the Project. These additional measures include health, education, and national pension benefit assistance for the former employees. Management's proposal also included assistance to the Government in elaborating a strategy to address the social dimension of the ongoing public enterprise reform and the provision of technical assistance to reform the national pension system. The Government's response



has been supportive of these measures and has added the establishment of a mechanism—acceptable to the ex-employees—to facilitate potential appeals on the labor contract terminations terms. Also, on January 20, 2010, the Government wrote Gécamines indicating that it would like to be informed about the outstanding payments to be made to each of the former employees and about the way Gécamines will settle this debt. The letter also requires Gécamines to provide each agent with a “*work termination certificate*” (*certificat de fin de service*).

Concerning the proposed strategy to tackle public enterprise reforms actions, Management stated that as of October 2009, social debts of the six major public enterprises amounted to US\$607 million, and if all public enterprises are included in the calculations the social cost amounts to over US\$1 billion. Management also stated that a proposed strategy was to be submitted to the Cabinet. This strategy, according to Management, would aim at building a consensus within the Government and with the social partners, while being fiscally sustainable. This proposed strategy includes settlement of social debts, sound management of redundancy programs, and review of the legal and regulatory framework for human resources management. Concerning the lessons learned, Management stated that it learned important lessons from the retrenchment programs

Mountain of dirt outside Lubumbashi from which copper is extracted,

of Gécamines and the three banks, and has integrated these lessons into the design of new operations.

THE PANEL'S ELIGIBILITY REPORTS AND BOARD DECISION

On May 27, 2009, the Panel submitted to the Board of Executive Directors its Report and Recommendation regarding the eligibility of the Requesters and Requests. In the first eligibility report, the Panel determined that Requests and Requesters met the eligibility criteria set forth in the Resolution establishing the Panel. The Panel noted that the Requests and Management Response contained conflicting assertions and interpretations about the issues, the facts, and compliance with Bank policies and procedures. The Panel stated that to ascertain compliance with Bank policies, it would need to conduct an investigation of the issues raised in the Requests and related alleged harm. The Panel added that in this case, however, Management stated its willingness to undertake a survey to analyze the need for special actions for the Gécamines ex-employees, and to enter a dialogue with the government on any specific actions. Furthermore, the Requesters stated their willingness to see whether this survey would lead to an effective resolution of their concerns.

On this basis, the Panel recommended that, in fairness to all parties concerned, it would not take a position at that time on whether the issues of noncompliance and harm raised in the Requests merited an investigation. The Panel recommended to the Board that it approve the Panel's proposal to refrain from issuing a recommendation on whether an investigation was warranted, but wait six months to see if there would be further developments on the matters raised in the Request for Inspection. On June 11, 2009, the Board approved, on a no-objection basis, the Panel's recommendation.

On April 5, 2010, the Panel submitted to the Board of Executive Directors its Second Report and Recommendation regarding the eligibility of the Requesters and third Request. In this second eligibility report, the Panel stated that between January 19 and 26, 2010, the Panel conducted a second visit to DRC. During this visit the Panel confirmed that the third Requesters are legitimate parties under the Resolution to submit a Request for Inspection to the Inspection Panel.

The Panel noted that the Requests for Inspection submitted nearly one year earlier had triggered or stimulated several actions and proposals to address the concerns of the Requesters. The Panel noted that it could not present definitive views on the socioeconomic survey of the Gécamines' ex-employees but noted some of the analysis it contained.

The Panel noted that Management provided the Panel a legal note on January 13, 2010, which stated that (1) the VDP was a legally valid operation, even if certain benefits owed to the participants were not taken into consideration in the negotiations; (2) the VDP was a negotiated process that included salary arrears and other benefits, but did not include the amounts that were due between the date of calculation of indemnities and the date of effective payment of compensation; and (3) the VDP did not preclude ex-employees from claiming rights or benefits at a later stage before competent courts.

The Panel also noted that on January 20, 2010, the office of the Prime Minister wrote Gécamines requesting that Gécamines calculate what is owed (*décomptes finals*) to every ex-employee; inform the Government how it intends to pay the amounts due, if any; and

issue the termination-of-service certificates. However, on January 28, 2010, two members of Gécamines' senior management responded to the Prime Minister's office, stating that the VDP was a Government decision and that Gécamines was in no way indebted to former employees who left the company as part of this operation and who freely agreed to its governing conditions. The Panel noted that the position of Gécamines' officials seemed to suggest that the company did not acknowledge direct responsibility for any additional sums owed to the Requesters for the two years between the date of calculation of indemnities and the date of effective payment of compensation.

The Panel further noted that Management's Second Response was very constructive in the sense that it contained an action plan, a strategy to support the Government of DRC in its reform of public enterprises, and lessons learned in the context of this Project. The action plan and the strategy have direct implications for the Requesters, as they contain elements (a conflict resolution mechanism, a certification of the social debt per enterprise and per employee, and reform of the national pension scheme) that seem to be aimed at resolving the issues raised by the Requesters.

The Panel noted that the proposed actions will take additional time to be operational. This requires the Panel to wait until some progress is seen, in order to issue an opinion on the effectiveness of such measures to address the issues of compliance and harm raised in the Requests. In this regard, Management indicated to the Panel that it would report back to the Board on the implementation of the action plan and strategy by February 2011. In light of the foregoing, the Panel stated that following the issuance of the Management progress report, it will report back to the Board on whether the Bank's compliance or evidence of intention to comply is adequate and is supported by the facts on the ground, and at that time it will make a recommendation on whether an investigation of the claims in the Requests for Inspection are warranted. The Board of Executive Directors approved the Panel's recommendation on April 19, 2010.

Institutional Reform Development Policy Grant

(GRANT NO. H336-YEM)

BOX 17. PROJECT INFORMATION AT A GLANCE

Project Name:	Institutional Reform Development Policy Grant
Region:	Middle East and North Africa
Sector:	General Industry and Trade; General Public Administration
Environmental Category:	C
IDA Grant Amount:	US\$50 million
Board Approval Date:	December 6, 2007
Effective Date:	April 28, 2008
Closing Date:	June 30, 2010

THE REQUEST

On April 13, 2009, the Inspection Panel received a Request for Inspection (the Request) related to the Yemen: Institutional Reform Development Policy Grant (IRDPG). Mr. Abdelkader Ali Abdallah and Mr. Yahya Saleh, both residents of Sana'a, Yemen, submitted the Request on their behalf and on behalf of the Yemen Observatory for Human Rights. The Request claims that the Bank failed to comply with principles of transparency and

disclosure of information with respect to a Development Policy Operation for institutional reform in Yemen, which the Requesters contend will produce negative effects on wages, employment, and poverty reduction.

The Requesters state that they have incurred and will probably continue to incur damages *“as a result of the information blackout policy practiced by the World Bank Office in Yemen and its refusal to disclose information”* related to the Project. The Requesters add that after some pressure by civil society having led to the disclosure of some information, *“the Bank office in Sana'a refused to give [them] a translated copy into Arabic or to cooperate with civil society to get it translated.”*

The Requesters state that *“according to the World Bank, the implementation of the Institutional Reform Program in Yemen will lead to soaring prices and the increased suffering of the poor in the Yemeni society. Poverty rate, currently running around 45% will increase by 9.2% up to a total of 54.2%.”* They add that the Project will reduce wages by 1.6% of the gross domestic product. The Requesters question these reforms, stating that they will result in an *“increase in poverty and unemployment.”* They add that had the Project contents been disclosed before, civil society would have been able to contribute by providing recommendations in relation to the adoption of fair tax policies, and other

options could have been proposed *“to provide resources through anti-corruption measures and the adoption of quality policies to address poverty and unemployment.”*

The Requesters state that the Bank and the Country Office *“violated the principle of partnership which the World Bank adopts and calls for its promotion with civil society”* as well as the principle of transparency and disclosure of information. They add that the lack of translations is contrary to the principle of information sharing emphasized by the former President of the World Bank in his introduction to the disclosure policy of June 2002. They state that the former President *“stressed the significance of information sharing as a substantial factor to achieve sustainable development and to improve transparency and accountability in development.”* They further state that *“he also stressed the significance of information sharing for promoting public support to efforts designed to improve people’s lives in developing countries.”*

The Requesters list a number of correspondences through which they requested the Country Office in Sana’a to disclose *“a complete copy of the Institutional Reform Program and its translation.”* They state that they received an English-language copy of the Project Document (PD). However, in a later correspondence, the Country Office refused to provide them with a translation. According to the Requesters, on January 30, 2008, 25 Yemeni organizations addressed the Country Office to confirm their request for a complete copy of the PD in Arabic, but *“receive[d] no response to [their] request and all [their] communications and letters were ignored.”*

MANAGEMENT RESPONSE

On May 19, 2009, Management submitted its Response to the Request for Inspection. Management stated that it agrees with the Requesters on the importance of partnership with stakeholders as a substantial factor to achieve sustainable development and to improve transparency and accountability in development.

Management states that it is satisfied that the requirement under OP 8.60 for the Bank to *“advise borrowing countries to consult with and engage the participation of key stakeholders”* was met. The Bank highlighted this requirement in a letter to the Government on December 5, 2006. The Bank supported the Government’s consultations on the design of the overall policy agenda supported under the IRDPG. It adds that the Bank engaged in a threefold set of consultations: (i) consultations during IRDPG preparation in December 2006 and March 2007; (ii) sectoral consultations for each IRDPG component; and (iii) consultations on related activities. Concerning the disclosure of IRDPG documentation, Management states that it complied with the requirements of applicable Bank policies, since the PD was disclosed on the Bank’s external Web site on December 11, 2007—within three working days of Board approval—and hard copies of the PD were available in the Bank’s Public Information Center in Sana’a. Management also stated that it was committed to facilitating access by the public to information disclosed by the Bank; it has initiated translation of the IRDPG PD into Arabic and will provide the translation to the Requesters and other stakeholders within three weeks.

Concerning the social impact of measures supported under the IRDPG, Management states that the measures supported under the IRDPG are expected to have a positive social and poverty impact. The corporate income tax will reduce exemptions and loop-



A view of Old Sana'a.

holes and is expected to increase fiscal revenues. The land registration is expected to strengthen land property rights. The new procurement law is designed to strengthen transparency and competition; experience in other countries indicates that doing so reduces the incidence of corruption and lowers prices for publicly procured works, goods, and services. The independent audits of oil and gas payments are unlikely to result in any social costs, but may increase fiscal revenues that could be used to improve living standards. The civil service reform is expected to have an overall positive social impact, and compensation packages for retrenchments and retirements are generous by international standards.

In sum, Management believed that it had made every effort to apply its policies and procedures in the preparation of the IRDPG; it regretted two oversights in document preparation; namely, the absence of a description of the IRDPG consultation process in the PD and the late disclosure of the PD in the InfoShop. Management also believed that the Requesters' rights or interests have not been and will not be directly and adversely affected by a failure of the Bank to implement its policies and procedures.

In addition, Management proposed to pursue and strengthen the participation processes in support of reforms in Yemen, to provide a translation of the PD to the Requesters and other interested stakeholders by June 2009; to review and enhance the system to

monitor effective compliance with the disclosure policy and translation practices of Project Information Documents (PIDs), Project Appraisal Documents (PADs), and within the Middle East–North Africa (MNA) Region; to continue monitoring the risks associated with the IRDPG, in consultation with stakeholders; and to invite the Requesters to meet with a Bank representative in May or early June at their convenience to inform them about plans for the translation and discuss their concerns and ways to strengthen partnerships.

THE PANEL'S ELIGIBILITY REPORT AND BOARD DECISION

On June 18, 2009, the Panel submitted to the Board of Executive Directors its Report and Recommendation regarding the eligibility of the Request. To determine the eligibility of the Request and Requesters, the Panel reviewed the Request and Management Response. The Panel also visited Sana'a, Yemen, from June 9 to 11, 2009. During their visit, the Panel team met with signatories of the Request, Government officials, representatives of the project implementing unit, and civil society organizations (CSOs) in Sana'a.

The Panel noted that the Request raises three issues related to the Project. The *first* issue concerned the disclosure and translation of the PD into Arabic. The Panel noted that the Bank had taken action and that translation had been carried out. The Requesters confirmed receipt of the document on June 8, 2009, and the Panel, as well as the Requesters, considered this issue resolved.

Regarding the *second* issue, the Panel noted that Requesters and Management had sharply different views of the consultation requirements under OP 8.60. The Panel also noted that while Management considered that these requirements were met, the Requesters in meetings argued that the consultation process had been inadequate and gave preference to organizations that were uncritical of the Project. The Panel, however, recorded the satisfaction of the Requesters with the consultation process that took place in March 2009 with regard to other Bank activities.

Regarding the *third* issue, the Panel noted that when it met with the Requesters they had just received the Arabic translation of the PD. Although the Requesters had earlier expressed an opinion that these reforms could result in harm, they were reluctant to express definitive views on the extent of the potential harm before having had time to carefully review the document. The Panel noted that the Requesters consider the second and third issues to be linked. Concerning the adequacy of participation and consultation with key Project stakeholders, the Panel recommended to the Board that it conduct an appropriate review of relevant facts and applicable Bank policies and procedures in order to ascertain compliance or lack thereof.

On July 6, 2009, an Executive Director requested a Board discussion to seek views on the matter under investigation. In advance of the discussion on September 13, 2009, Management submitted a significantly enhanced action plan to address the remaining important issues and the broader issue of consultation in Yemen, as appropriate within the framework of applicable Bank policies. After reviewing this enhanced action plan, the Panel contacted the Requesters to share the substance of the enhanced actions. The Requesters expressed an interest in their implementation. Based on the enhanced action plan and the Requesters' expressed interest in its implementation, the Panel proposed to

defer its recommendation to investigate in order to promote this opportunity to address the concerns raised in the Request, as it has done in similar past cases.

On September 15, 2009, the Board of Executive Directors met and discussed the Panel's Report and Recommendation concerning IRDPG. The Board welcomed this constructive approach by the Panel and Management and indicated the importance of implementing the actions proposed. The Board also noted the importance of the Panel process in enhancing the accountability of the institution, and in bringing important issues of consultation, participation, and translation to its attention.

In conclusion, the Board agreed with the Panel's proposal to defer its recommendation to investigate and welcomed Management's commitment to report on progress in the implementation of the enhanced action plan by June 2010, after which the Panel will recommend to the Board whether an investigation is warranted based on its independent review of the situation.

MANAGEMENT PROGRESS REPORT

On June 21, 2010, Management submitted to the Board of Executive Directors its Progress Report on the Implementation of the Management Action Plan.

Management stated that overall, it was satisfied that significant progress had been made on all key activities of the action plan, including (1) engaging a dialogue with the Requesters; (2) strengthening the Bank's MNA Region's practices with regards to disclosure, translation, and consultations in line with applicable Bank policies; (3) monitoring risks associated with Project implementation in consultation with stakeholders; and (4) further strengthening relevant participation processes in Yemen. Management also stated that it continuously engaged Requesters through consultations on IRDPG implementation and on the broader Bank Project in Yemen.

Management noted that the Action Plan's implementation took place in a sharply deteriorating security environment, affecting the timeline for implementation of some activities, especially during January and February 2010. During that period, the Bank had to adopt a "light footprint" approach in Yemen, which is at odds with the institution's efforts to engage in a proactive communication campaign and to "open doors." Management added that this affected the Bank's effort to engage CSOs, especially out of Sana'a.

On disclosure of information, translation, and consultation in the MNA Region, Management stated that as of June 8, 2010, the Region is in full compliance with its commitment to disclose information regarding PIDs, PADs, and PDs on its current portfolio of International Bank for Reconstruction and Development/International Development Agency projects. Management further stated that following a review of translation practices in MNA, translation of core operational documents (PIDs, PADs and PDs) into Arabic was made a requirement for all new operations in countries where Arabic is the main business language. In parallel, according to Management, MNA is continuing to translate and disclose operational documents in French in the Maghreb and Djibouti. Also according to Management, MNA's Arabic-language Web sites were revamped and their content is up to date.

On consultation, Management states that it has issued detailed instructions on October 29, 2009, to Country Directors, Country Managers, and Task Team Leaders to

strengthen outreach to civil society stakeholders. According to Management, directories of CSOs are available in all Country Offices (including Yemen) for use by staff. Management adds that a series of training sessions was held to disseminate good practices on consultations and strengthen effectiveness of Project-level consultations: first for Washington-based Task Team Leaders and then for Country Office-based Task Team Leaders at a seminar in Beirut during the May 17–19, 2010, Regional Operations Forum.

Concerning the implementation of the IRDPG, Management stated that during each supervision mission (five between September 2009 and April 2010), the Task Team met with a cross-section of CSOs representing the main viewpoints within civil society to discuss IRDPG implementation progress. These meetings were held in Arabic, on the basis of background documents and presentations in Arabic, with an average of 10 to 15 participants from as many organizations each time. According to Management, these meetings were initially focused on concerns about the potential impact of the IRDPG. Management added that the consultations progressed into the provision of substantive feedback and an active exploration of how CSOs and the Bank could better interact.

Management also added that particular efforts were made to work closely with the CSOs that are involved in the Extractive Industries Transparency Initiative component of the IRDPG. Between October 19, 2009, and April 6, 2010, three workshops were organized to discuss ways to raise the level of transparency in the management of extractive industries revenues; the workshops included speakers from Mauritania and Kazakhstan who shared best practices. Additionally, according to Management, efforts were made to reach out to entities that are representatives of stakeholders that may be affected by measures supported under the IRDPG, especially under the land titling and civil service components. The task team followed up on issues raised during these discussions (e.g., potential displacement of informal occupants of public lands under a possible systematic land registration effort) and facilitated exchanges between CSOs and the Government.

As for the future of the Bank's Project in Yemen, Management stated that the Country Office arranged frequent meetings with a cross-section of CSOs. On average, two to three events were held each month. Additionally, senior management took advantage of every formal meeting with the Yemeni authorities to emphasize the importance of consultations and offer Bank assistance in this regard. Management also sent a letter via the Country Director on December 15, 2009, advising the Government to consult on several Bank-supported activities and offering help to do so. Two missions visited Yemen (November 3–5 and December 12–15, 2009) to consult on Bank-supported activities.

Looking ahead, Management stated that it will continue to deploy every effort to maintain a very strong focus on the issues of disclosure and translation, particularly Arabic translations of PIDs, PADs, and PDs for new Bank-funded projects. Management added that it was committed to helping create an environment that is conducive to effective consultations between Governments and CSOs in the Region. Finally, Management stated that on June 21, 2010, it sent a message to staff reiterating the importance of accomplishing the Action Plan.

The Panel's and Management's reports were made public as required by the Panel's Resolution and are available on the Panel's Web site at <http://www.inspectionpanel.org>, along with a press release about the discussions held at the Board meeting.

Mumbai Urban Transport Project

(LOAN NO. 4665-IN; CREDIT NO. 3662-IN)

BOX 18. PROJECT INFORMATION AT A GLANCE

Project Name:	Mumbai Urban Transport Project
Region:	South Asia
Sector:	Railways, Roads and Highways, Other Social Services
Environmental Category:	A
IBRD Loan Amount:	US\$463 million
IDA Credit Amount:	US\$79 million
Board Approval Date:	June 18, 2002
Effective Date:	November 6, 2002
Closing Date:	June 30, 2008

THE REQUEST

On May 29, 2009, the Inspection Panel received a Request for Inspection related to the Mumbai Urban Transport Project (the Project). The Request was jointly submitted by Messrs. Ambrish Mehta, Deepak Mehta, and Hinesh Mehta, three brothers who are owners of a property situated in the Gandhi Nagar Plan in Powai in the city of Mumbai, India (the Requesters). They submitted the Request on their own behalf and claim to be adversely affected by the Proj-

ect, especially by its resettlement program. This was the fifth Request for Inspection received on the Project, which the Panel registered on June 9, 2009. The Project was previously investigated by the Inspection Panel in 2004 when four successive requests were submitted to the Panel on behalf of several hundred residents and shopkeepers from the project area.

The Requesters live in an area known as Powai, through which the Jogeshwari-Vikhroli Link Road (JVLR) Phase II runs. They state that in 2006, the Mumbai Metropolitan Region Development Authority (MMRDA), the Implementing Agency, “*came to demolish [their] structure*” as a result of which the Requesters obtained a High Court Stay Order against any future demolition of the property. The Requesters claim that they have “*suffered in the MUTP JVLR Phase II*” and borne physical, mental, and financial hardship because they have been told to demolish their property before they can receive compensation. They also state that they reached a verbal agreement with MMRDA in April 2009 around a negotiated compensation settlement but have been unsuccessful in getting MMRDA to formalize the agreement in writing. They further state that MMRDA has asked them to demolish their property and claim benefits subsequent to the demolition. They assert their willingness to vacate the property and withdraw their High Court

Case if they receive possession papers for the alternate properties offered to them as compensation, as per the verbal agreement reached with MMRDA.

THE PROJECT

The Project is a US\$1.1 billion urban transport project that was approved on June 18, 2002. Its objective is to facilitate urban economic growth and improve quality of life by developing an efficient and sustainable urban transport system and effective institutions that can meet the needs of residents and users in the Mumbai Metropolitan Region. The Resettlement Action Plan provides for resettling persons affected by the construction of the road-based transport component. One of the east-west road links, the 11-kilometer JVLR, whose Phase II includes realigning and widening existing roads, relates to the subject of the Request.

MANAGEMENT RESPONSE

Management submitted its Response on July 13, 2009. The Management Response states that overall the Project is progressing well and is achieving its development objectives. It adds, however, that the Project continues to be a highly challenging undertaking and implementation remains slow, as reflected by low disbursement levels. More than 90% of Project Affected Persons have been resettled and rehabilitation services are in effect. Management acknowledges that the Requesters' property, which they had rented to tenants who in turn were resettled by MMRDA in 2007, was affected by civil works connected to JVLR Phase II. Management notes, however, that since the Requesters became "legal title holders" of the property on January 25, 2006, earlier compensation-related discussions with MMRDA were not successful. Management writes that "MMRDA initially considered that the Requesters either did not trust the resettlement process or sought to gain more benefits, which led to disagreement on how to resolve the compensation issue." Management adds that Bank staff has followed up on the case since April 2007, when the Panel first forwarded a letter from the Requesters to Management. Management states that the Requesters have been responded to via e-mails, in face-to-face meetings, and through phone calls.

Management states that, despite the "mutual lack of trust" and the fact that the matter was before the Courts, "the matter has been amicably resolved with the MMRDA offering Requesters four shops at Powai Plaza and four residences at Majas Site, based on mutual consent." This agreement was reached when MMRDA offered to issue allotment papers on the condition that the Requesters demolish their property before receiving keys to their new shops and residences. The Requesters demolished their property on June 28, 2009, and received keys from MMRDA on June 30, 2009.

ELIGIBILITY PHASE BOARD DECISION

The Panel received notification on June 27, 2009, from the Requesters in which they confirm their MMRDA allotment of four shops and four residential properties, the demolition of their property, and the subsequent withdrawal of their case in the City Civil

Court. The Requesters expressed their satisfaction with this arrangement and thanked both the Inspection Panel and the World Bank Management for their “*cooperation and initiative*” in helping them “*settle the matter.*”

The Panel issued its Eligibility Report on August 7, 2009, which recommended that it discontinue further processing of this Request. This recommendation was made in light of the communication received from the Requesters that informed the Panel of the satisfactory resolution of the matters of concern and Management’s positive response. On September 15, 2010, the World Bank Board of Executive Directors approved, on a no-objection basis, the Inspection Panel’s Report and Recommendation.

OUTREACH AND OTHER ACTIVITIES

Strengthening Governance and Accountability for Sustainable Development in Bangkok, Thailand, July 9, 2009

On July 9, 2009, the Panel, in collaboration with the Mekong Environment and Resource Institute, Save the Children, Kasetsart University's Economics Faculty held a conference on "Strengthening Governance and Accountability for Sustainable Development: Lessons Learned and Future Prospects" at the United Nations Conference Center in Bangkok. Around 90 participants from Thailand and other countries attended the day-long conference; among them were leading members of the private and public sectors, academic institutions, civil society, and International organizations. International organizations represented at the meeting included the World Bank, Save the Children Japan, the Asian Development Bank, the United Nations Development Programme, the United Nations Environment Programme and the World Conservation Union. The conference aimed to share knowledge and foster a dialogue on good governance, accountability, and transparency. Particular attention was given to the need for accountability of all actors engaged in sustainable development, especially international development institutions, private corporations, and non-governmental organizations. Keynote speakers included Mr. Sanjay Pradhan, Vice President of the World Bank and Director of the World Bank Institute in Washington DC, and Mr. Edilberto C. de Jesus, Former President of the University of Cordilleras in the Philippines. Mr. Werner Kiene, then Chairperson of the Inspection Panel of the World Bank, emphasized in his opening remarks that the conference was unique by not only addressing accountability as a general responsibility of actors engaged in sustainable development, but also by seeking to bring an Asian perspective to the debate. He paid special tribute to Prof. Tongroj Onchan, President of the Mekong Environment and Resource Institute, who had recently completed his five year term as a distinguished member of the Inspection Panel and who had played the leading role in the organization of the conference. Panel Member Roberto Lenton and Executive Secretary Peter Lallas also participated at the event.

Holding Development Banks Accountable in North Africa in Marrakech, Morocco, July 22–24, 2009

Between July 22 and 24, 2009, Panel Chairperson at the time, Mr. Werner Kiene, and Panel's Senior Operations Officer, Mr. Serge Selwan, participated in a workshop hosted by the Bank Information Center (BIC), the Inspection Panel, and the Office of the Compliance Advisor/Ombudsman (CAO). The workshop entitled "Holding Development Banks Accountable in North Africa" included representatives of civil society organizations from Algeria, Libya, Mauritania, Morocco, and Tunisia with expertise on women's rights, ecological sustainability, and transparency, among other issues. Ms. Amy Ekdawi, BIC's MENA Program Manager, Ms. Nadia Daar, BIC's MENA Program Associate, Ms. Julia Gallu, CAO's Specialist Ombudsman, Ms. Emily Horgan, CAO's Program Officer and Ms. Adila Abusharaf, Principal Compliance Officer at the Compliance Review and Mediation Unit of the African Development Bank, also made contributions. This was an opportunity for North African civil society representatives working on de-

velopment issues to share experiences and relay to the organizers their major concerns with issues related to accountability at International Financial Institutions. For many, social and environmental safeguards were not adequate or adequately followed and for others, access to information was a major concern.

Accountability at the World Bank: The Inspection Panel at 15 Years in Istanbul, Turkey, October 5, 2009

On October 5, 2009, during the World Bank-IMF Annual Meetings in Istanbul, the Panel launched the English version of its newest publication “Accountability at the World Bank: The Inspection Panel at 15 Years.” The Dean of the Board of Executive Directors of the Bank, Mr. Alexey Kvasov, presented key-note remarks for the launch. The book, which also features the Panel’s 2008–2009 Annual Report, provides an extensive account of the Panel’s work and experience over the past 15 years, along with an update on recent activities and developments. It includes information about the Panel’s Resolution and subsequent Clarifications; reviews the Panel’s history and evolution; describes the Panel process, fact-finding methods, and core principles that guide its work; and reflects on key findings, cases, and outcomes of its process. The text also contains reflections and remarks on the Panel’s work and themes of accountability by some very distinguished contributors. The Inspection Panel also co-hosted an outreach event at the Annual Meetings, together with the Bank Information Center (BIC) and the IFC/MIGA Compliance Advisor/Ombudsman (CAO). Entitled “Promoting Accountability at the World Bank Group: Experiences of the World Bank Inspection Panel and the IFC-MIGA Compliance Advisor/Ombudsman”, the event helped increase awareness about, and considered questions regarding, the Bank Group’s accountability mechanisms, namely the Inspection Panel and the CAO. The well-attended gathering heard presentations by Ms. Meg Taylor, Vice-President and director of the Office of the Compliance Advisor/Ombudsman of the IFC, and Mr. Werner Kiene, then Chairperson of the Panel, in a session moderated by Mr. Chad Dobson, Executive Director of Bank Information Center.

United Nations Climate Change Conference (COP15) in Copenhagen, Denmark, December 2009

In December 2009, Panel Member Eimi Watanabe attended the United Nations Climate Change Conference (COP15) in Copenhagen. While the climate change summit concluded with a Copenhagen Accord lacking specific emission reduction commitments to attain the temperature rise target below 2 degrees, for the Panel, it was a useful opportunity to be updated on the latest discussions on mitigation, adaptation as well as various funding mechanisms. It provided an excellent opportunity to network with some of the many civil society organizations present, in particular, with representatives of indigenous peoples groups. The latter responded with interest to the brief and informal presentation on the Panel process and expressed their concerns over potential harm from the REDD mechanism (Reducing Emissions from Deforestation and Degradation), which they feared may be implemented in such ways as to undermine their use of forests and their resources.

United Nations Permanent Forum on Indigenous Issues at the UN Headquarters in New York, United States, April 2010

The contacts made during COP15 as well as earlier ones were further strengthened through additional interaction during the World Bank Spring Meeting and a side event of the UN Permanent Forum on Indigenous Issues in April 2010, which was convened by Permanent Forum Chair Ms. Victoria Tauli-Corpus. At that side-event, Panel Chairperson Roberto Lenton and Meg Taylor, Vice-President and director of the Office of the Compliance Advisor/Ombudsman of the IFC, jointly outlined the recourse mechanisms available to indigenous communities adversely affected by projects financed by IBRD, IDA, IFC and MIGA, and discussed recent examples of relevant cases.

Development with a Human Face, Carnegie Mellon University in Pittsburgh, United States, April 5, 2010

On April 5, 2010, Panel Chairperson Roberto Lenton gave a lecture entitled “Development with a human face: bottom-up accountability in global financial institutions” at Carnegie Mellon University. In it, he provided some historical background on the development and evolution of accountability mechanisms at the World Bank and other international financial institutions, explained the role and mandate of the Inspection Panel along with some of the commonalities and differences with similar mechanisms at other IFIs, described through examples how the Panel has worked in different parts of the world, and discussed the overall impacts of the Panel at various levels. The lecture was part of Carnegie Mellon’s University Lecture Series, which features lectures by a broad spectrum of speakers on a diverse range of topics, and was introduced by the University’s President, Dr. Jared Cohon.

Bank/IMF Spring Meeting 2010 in Washington DC, United States, April 24–25, 2010

On April 24-25, the Panel participated in several activities during World Bank-IMF Spring Meetings, in Washington, DC. The Panel hosted its traditional Open House, providing an opportunity for delegates, Bank staff and civil society to visit the Panel offices, exchange ideas, and learn more about the Panel. The Panel also participated in a meeting with civil society representatives, hosted by NGOs, to provide an update on its work and continue dialogue on issues relating to the Panel and accountability. Thirdly, the Panel hosted a seminar, “15 Years of Inspection Panel Cases: What has been learned and how can this help strengthen the World Bank’s development effectiveness and accountability”. The Seminar featured key note addresses by Giovanni Majnoni, World Bank Executive Director and the Chair of the Committee on Development Effectiveness at the Bank; Jeffrey Gutman, World Bank Vice President for Operations Policy and Country Services; Eduardo Abbott, founding Executive Secretary of the Inspection Panel; and Lori Udall, civil society representative active on issues of accountability over many years.

Civil Society Workshop in Mexico City, Mexico, May 18–19, 2010

On May 18-19, 2010, the Panel participated in an outreach for over 30 civil society organizations in Mexico City. The event was organized in partnership with IFC/MIGA's CAO, the Office of Accountability of the Overseas Private Investment Corporation (OPIC) of the United States, and the recently established Independent Consultation and Investigation Mechanism of the Inter-American Development Bank. The workshop was convened and facilitated by Centro Mexicano de Derecho Ambiental (CEMDA), a Mexican environmental NGO. The workshop aimed to raise awareness about access to recourse around international development projects in Mexico.

Seventh Annual Meeting of Accountability Mechanisms in Tokyo, Japan, June 27–28, 2010

The three Members of the Inspection Panel participated in the 7th Annual Meeting of the Independent Accountability Mechanisms (IAMs) on 28-29 June 2010 held in Tokyo, Japan. This meeting was hosted by the Japan Bank for International Cooperation and Nippon Export and Investment Insurance. Principals of IAMs from various international financing institutions were present among them the AfDB, ADB, EBRD, EIB, IBRD, IDB, IFC/MIGA, JBIC, NEXI, OPIC, and for the first time, the European Ombudsman. These Meetings, originally organized by the Inspection Panel, now included similar mechanisms of national export promoting agencies such as the United States' OPIC and Japan's JBIC and NEXI, provide an opportunity for the mechanisms to coordinate and exchange information on experiences, challenges and best practices. The topics discussed include outreach activities, harmonization among the IAMs, internal governance, use of country systems, evolution of the IAM group, as well as the climate change policy and environmental dispute resolution in Japan. The event was also an occasion for the Panel to conduct an outreach event with NGOs, academia and participants from civil society on June 29th, 2010.

APPENDIXES

APPENDIX I

BIOGRAPHIES OF THE PANEL MEMBERS AND THE EXECUTIVE SECRETARY

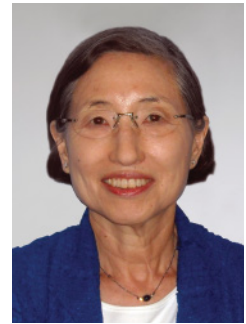


Mr. Roberto Lenton (Argentina) was appointed to the Panel in September 2007 and became its chair in November 2009, succeeding Werner Kiene in this role (see appreciation, page xvi). He earned a civil engineering degree from the University of Buenos Aires and a Ph.D. from the Massachusetts Institute of Technology (MIT). A specialist in water resources and sustainable development with more than 30 years of international experience in the field, he serves as chair of the Water Supply and Sanitation Collaborative Council and member of the board of directors of WaterAid America, and served until July 2009 as chair of the technical committee of the Global Water Partnership. Mr. Lenton is a coauthor of *Applied Water Resources Systems* and coeditor of “Integrated Water Resources Management in Practice,” and a lead author of *Health, Dignity and Development: What Will it Take?*, the final report of the United Nations Millennium Project Task Force on Water and Sanitation, which he cochaired. Earlier, Mr. Lenton was director of the Sustainable Energy and Environment Division of the United Nations Development Programme in New York, director general of the International Water Management Institute in Sri Lanka, and program officer in the Rural Poverty and Resources program of the Ford Foundation in New Delhi and New York. He has served as adjunct professor in the School of International and Public Affairs at Columbia University and assistant professor of civil and environmental engineering at MIT.

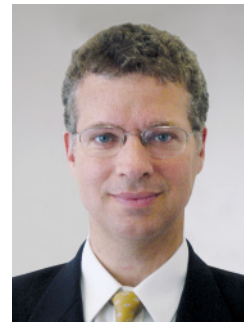


Mr. Alf Jerve (Norway) was appointed to the Panel in November 2008. Mr. Jerve brings to the Panel close to three decades of work in the field of development. A social anthropologist by training, he has been engaged in a wide range of development activities, including extensive field research in Africa 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, where he has also devoted his energies and expertise to research and analysis of a wide variety of policy and program issues affecting people in developing countries. Over the years, Mr. Jerve 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. Eimi Watanabe (Japan) was appointed to the Inspection Panel on November 1, 2009. Throughout her career, Ms. Watanabe has demonstrated a commitment to applying analytical as well as participatory approaches to development programs, and a strong track record of working collaboratively 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 both the project and policy levels, including poverty reduction, governance, gender, child health and nutrition, capacity development, environment, and international migration. Ms. Watanabe earned an M.Sc. and Ph.D. from the London School of Economics and received a B.A. in sociology from the International Christian University in Tokyo. From 1998 to 2001, she served as assistant secretary general and director of the United Nations Development Programme (UNDP) Bureau for Development Policy. Prior to that, 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. Ms. Watanabe brings to the Panel more than 30 years of experience in the field of development.



Mr. Peter Louis Lallas (United States) became the Inspection Panel's Executive Secretary on January 1, 2007, following the retirement of the Panel's longtime Executive Secretary Mr. Eduardo Abbott. Mr. Lallas has nearly two decades of experience in the fields of international cooperation and law, working in a variety of institutions, settings, and countries. He has held positions as legal adviser on international law and organizations in the United Nations Food and Agriculture Organization (FAO) in Rome; as Director of the International Environmental Law Office of the U.S. Environmental Protection Agency (EPA) in Washington, DC; in the European Commission in Brussels; and in an active Brussels law 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 J.D. from Harvard University Law School (1986) and a B.A. 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 adjunct professor on international environmental policy in the Masters of Science Program of Georgetown University. He has authored and coauthored a number of publications on international law, cooperation, and sustainable development, and has been honored many times for his work.



APPENDIX II

THE RESOLUTION ESTABLISHING THE INSPECTION PANEL

September 22, 1993

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL DEVELOPMENT ASSOCIATION

Resolution No. IBRD 93-10

Resolution No. IDA 93-6

"THE WORLD BANK INSPECTION PANEL"

The Executive Directors:
Hereby resolve:

1. There is established an independent Inspection Panel (hereinafter called the Panel), which shall have the powers and shall function as stated in this resolution.

COMPOSITION OF THE PANEL

2. The Panel shall consist of three members of different nationalities from Bank member countries. The President, after consultation with the Executive Directors, shall nominate the members of the Panel to be appointed by the Executive Directors.
3. The first members of the Panel shall be appointed as follows: one for three years, one for four years, and one for five years. Each vacancy thereafter shall be filled for a period of five years, provided that no member may serve for more than one term. The term of appointment of each member of the Panel shall be subject to the continuity of the inspection function established by this Resolution.
4. Members of the Panel shall be selected on the basis of their ability to deal thoroughly and fairly with the requests brought to them, their integrity and their independence from the Bank's Management, and their exposure to developmental issues and to living conditions in developing countries. Knowledge and experience of the Bank's operations will also be desirable.

5. Executive Directors, Alternates, Advisors, and staff members of the Bank Group may not serve on the Panel until two years have elapsed since the end of their service in the Bank Group. For purposes of this Resolution, the term “staff” shall mean all persons holding Bank Group appointments as defined in Staff Rule 4.01, including persons holding consultant and local consultant appointments.
6. A Panel member shall be disqualified from participation in the hearing and investigation of any request related to a matter in which he/she has a personal interest or had significant involvement in any capacity.
7. The Panel member initially appointed for five years shall be the first Chairperson of the Panel, and shall hold such office for one year. Thereafter, the members of the Panel shall elect a Chairperson for a period of one year.
8. Members of the Panel may be removed from office only by decision of the Executive Directors, for cause.
9. With the exception of the Chairperson who shall work on a full-time basis at Bank headquarters, members of the Panel shall be expected to work on a full-time basis only when their workload justifies such an arrangement, as will be decided by the Executive Directors on the recommendation of the Panel.
10. In the performance of their functions, members of the Panel shall be officials of the Bank enjoying the privileges and immunities accorded to Bank officials, and shall be subject to the requirements of the Bank’s Articles of Agreement concerning their exclusive loyalty to the Bank and to the obligations of subparagraphs (c) and (d) of paragraph 3.1 and paragraph 3.2 of the Principles of Staff Employment concerning their conduct as officials of the Bank. Once they begin to work on a full-time basis, they shall receive remuneration at a level to be determined by the Executive Directors upon a recommendation of the President, plus normal benefits available to Bank fixed-term staff. Prior to that time, they shall be remunerated on a per diem basis and shall be reimbursed for their expenses on the same basis as the members of the Bank’s Administrative Tribunal. Members of the Panel may not be employed by the Bank Group, following the end of their service on the Panel.
11. The President, after consultation with the Executive Directors, shall assign a staff member to the Panel as Executive Secretary, who need not act on a full-time basis until the workload so justifies. The Panel shall be given such budgetary resources as shall be sufficient to carry out its activities.

POWERS OF THE PANEL

12. The Panel shall receive requests for inspection presented to it by an affected party in the territory of the borrower which is not a single individual (i.e., a community of persons such as an organization, association, society, or other grouping of individuals), or by the local representative of such party or by another representative in the exceptional cases where the party submitting the request contends that appropriate representation is not locally available and the Executive Directors so agree at the

time they consider the request for inspection. Any such representative shall present to the Panel written evidence that he is acting as agent of the party on behalf of which the request is made. The affected party must demonstrate that its rights or interests have been or are likely to be directly affected by an action or omission of the Bank as a result of a failure of the Bank to follow its operational policies and procedures with respect to the design, appraisal, and/or implementation of a project financed by the Bank (including situations where the Bank is alleged to have failed in its follow-up on the borrower's obligations under loan agreements with respect to such policies and procedures) provided in all cases that such failure has had, or threatens to have, a material adverse effect. In view of the institutional responsibilities of Executive Directors in the observance by the Bank of its operational policies and procedures, an Executive Director may in special cases of serious alleged violations of such policies and procedures ask the Panel for an investigation, subject to the requirements of paragraphs 13 and 14 below. The Executive Directors, acting as a Board, may at any time instruct the Panel to conduct an investigation. For purposes of this Resolution, "operational policies and procedures" consist of the Bank's Operational Policies, Bank Procedures and Operational Directives, and similar documents issued before these series were started, and does not include Guidelines and Best Practices and similar documents or statements.

13. The Panel shall satisfy itself before a request for inspection is heard that the subject matter of the request has been dealt with by the Management of the Bank and Management has failed to demonstrate that it has followed, or is taking adequate steps to follow, the Bank's policies and procedures. The Panel shall also satisfy itself that the alleged violation of the Bank's policies and procedures is of a serious character.
14. In considering requests under paragraph 12 above, the following requests shall not be heard by the Panel:
 - (a) Complaints with respect to actions which are the responsibility of other parties, such as a borrower, or potential borrower, and which do not involve any action or omission on the part of the Bank.
 - (b) Complaints against procurement decisions by Bank borrowers from suppliers of goods and services financed or expected to be financed by the Bank under a loan agreement, or from losing tenderers for the supply of any such goods and services, which will continue to be addressed by staff under existing procedures.
 - (c) Requests filed after the Closing Date of the loan financing the project with respect to which the request is filed or after the loan financing the project has been substantially disbursed.¹
 - (d) Requests related to a particular matter or matters over which the Panel has already made its recommendation upon having received a prior request, unless justified by new evidence or circumstances not known at the time of the prior request.

¹ This will be deemed to be the case when at least 95 percent of the loan proceeds have been disbursed.

15. The Panel shall seek the advice of the Bank's Legal Department on matters related to the Bank's rights and obligations with respect to the request under consideration.

PROCEDURES

16. Requests for inspection shall be in writing and shall state all relevant facts, including, in the case of a request by an affected party, the harm suffered by or threatened to such party or parties by the alleged action or omission of the Bank. All requests shall explain the steps already taken to deal with the issue, as well as the nature of the alleged actions or omissions and shall specify the actions taken to bring the issue to the attention of Management, and Management's response to such action.
17. The Chairperson of the Panel shall inform the Executive Directors and the President of the Bank promptly upon receiving a request for inspection.
18. Within 21 days of being notified of a request for inspection, the Management of the Bank shall provide the Panel with evidence that it has complied or intends to comply with the Bank's relevant policies and procedures.
19. Within 21 days of receiving the response of the Management as provided in the preceding paragraph, the Panel shall determine whether the request meets the eligibility criteria set out in paragraphs 12 to 14 above and shall make a recommendation to the Executive Directors as to whether the matter should be investigated. The recommendation of the Panel shall be circulated to the Executive Directors for decision within the normal distribution period. In case the request was initiated by an affected party, such party shall be informed of the decision of the Executive Directors within two weeks of the date of such decision.
20. If a decision is made by the Executive Directors to investigate the request, the Chairperson of the Panel shall designate one or more of the Panel's members (Inspectors) who shall have primary responsibility for conducting the inspection. The Inspector(s) shall report his/her (their) findings to the Panel within a period to be determined by the Panel taking into account the nature of each request.
21. In the discharge of their functions, the members of the Panel shall have access to all staff who may contribute information and to all pertinent Bank records and shall consult as needed with the Director General, Operations Evaluation Department, and the Internal Auditor. The borrower and the Executive Director representing the borrowing (or guaranteeing) country shall be consulted on the subject matter both before the Panel's recommendation on whether to proceed with the investigation and during the investigation. Inspection in the territory of such country shall be carried out with its prior consent.
22. The Panel shall submit its report to the Executive Directors and the President. The report of the Panel shall consider all relevant facts, and shall conclude with the Panel's findings on whether the Bank has complied with all relevant Bank policies and procedures.

23. Within six weeks from receiving the Panel's findings, Management will submit to the Executive Directors for their consideration a report indicating its recommendations in response to such findings. The findings of the Panel and the actions completed during project preparation also will be discussed in the Staff Appraisal Report when the project is submitted to the Executive Directors for financing. In all cases of a request made by an affected party, the Bank shall, within two weeks of the Executive Directors' consideration of the matter, inform such party of the results of the investigation and the action taken in its respect, if any.

DECISIONS OF THE PANEL

24. All decisions of the Panel on procedural matters, its recommendations to the Executive Directors on whether to proceed with the investigation of a request, and its reports pursuant to paragraph 22, shall be reached by consensus and, in the absence of a consensus, the majority and minority views shall be stated.

REPORTS

25. After the Executive Directors have considered a request for an inspection as set out in paragraph 19, the Bank shall make such request publicly available together with the recommendation of the Panel on whether to proceed with the inspection and the decision of the Executive Directors in this respect. The Bank shall make publicly available the report submitted by the Panel pursuant to paragraph 22 and the Bank's response thereon within two weeks after consideration by the Executive Directors of the report.

26. In addition to the material referred to in paragraph 25, the Panel shall furnish an annual report to the President and the Executive Directors concerning its activities. The annual report shall be published by the Bank.

REVIEW

27. The Executive Directors shall review the experience of the inspection function established by this Resolution after two years from the date of the appointment of the first members of the Panel.

APPLICATION TO IDA PROJECTS

28. In this resolution, references to the Bank and to loans include references to the Association and to development credits.

APPENDIX III

FIRST REVIEW OF THE RESOLUTION ESTABLISHING THE INSPECTION PANEL 1996 CLARIFICATION

The Resolution establishing the Inspection Panel calls for a review after two years from the date of appointment of the first panel members. On October 17, 1996, the Executive Directors of the Bank and IDA completed the review process (except for the question of inspection of World Bank Group private sector projects) by considering and endorsing the clarifications recommended by Management on the basis of the discussions of the Executive Directors' Committee on Development Effectiveness (CODE). The Inspection Panel and Management are requested by the Executive Directors to observe the clarifications in their application of the Resolution. The clarifications are set out below.

THE PANEL'S FUNCTION

Since the Resolution limits the first phase of the inspection process to ascertaining the eligibility of the request, this phase should normally be completed within the 21 days stated in the Resolution. However, in cases where the Inspection Panel believes that it would be appropriate to undertake a "preliminary assessment" of the damages alleged by the requester (in particular when such preliminary assessment could lead to a resolution of the matter without the need for a full investigation), the Panel may undertake the preliminary assessment and indicate to the Board the date on which it would present its findings and recommendations as to the need, if any, for a full investigation. If such a date is expected by the Panel to exceed eight weeks from the date of receipt of Management's comments, the Panel should seek Board approval for the extension, possibly on a "no-objection" basis. What is needed at this preliminary stage is not to establish that a serious violation of the Bank's policy has actually resulted in damages suffered by the affected party, but rather to establish whether the complaint is *prima facie* justified and warrants a full investigation because it is eligible under the Resolution. Panel investigations will continue to result in "findings" and the Board will continue to act on investigations on the basis of recommendations of Management with respect to such remedial action as may be needed.

ELIGIBILITY AND ACCESS

It is understood that the "affected party" which the Resolution describes as "a community of persons such as an organization, association, society or other grouping of individuals" includes any two or more persons who share some common interests or concerns.

The word “project” as used in the Resolution has the same meaning as it generally has in the Bank’s practice, and includes projects under consideration by Bank management as well as projects already approved by the Executive Directors.

The Panel’s mandate does not extend to reviewing the consistency of the Bank’s practice with any of its policies and procedures, but, as stated in the Resolution, is limited to cases of alleged failure by the Bank to follow its operational policies and procedures with respect to the design, appraisal, and/or implementation of projects, including cases of alleged failure by the bank to follow up on the borrowers’ obligations under loan agreements, with respect to such policies and procedures.

No procurement action is subject to inspection by the Panel, whether taken by the Bank or by a borrower. A separate mechanism is available for addressing procurement-related complaints.

OUTREACH

Management will make its response to requests for inspection available to the public within three days after the Board has decided on whether to authorize the inspection. Management will also make available to the public opinions of the General Counsel related to Inspection Panel matters promptly after the Executive Directors have dealt with the issues involved, unless the Board decides otherwise in a specific case.

Management will make significant efforts to make the Inspection Panel better known in borrowing countries, but will not provide technical assistance or funding to potential requesters.

COMPOSITION OF THE PANEL

No change in the composition of the Panel is being made at this time.

ROLE OF THE BOARD

The Board will continue to have authority to (i) interpret the Resolution; and (ii) authorize inspections. In applying the Resolution to specific cases, the Panel will apply it as it understands it, subject to the Board’s review. As stated in the Resolution, “[t]he Panel shall seek the advice of the Bank’s Legal Department on matters related to the Bank’s rights and obligations with respect to the request under consideration.”

October 17, 1996

APPENDIX IV

SECOND REVIEW OF THE RESOLUTION ESTABLISHING THE INSPECTION PANEL 1999 CLARIFICATION

The Executive Directors approved today, April 20, 1999, with immediate effect, the report of the Working Group on the Second Review of the Inspection Panel, as revised in light of the extensive consultations that took place after the report was first circulated.

The report confirms the soundness of the Resolution establishing the Inspection Panel (IBRD Resolution No. 93-10, IDA Resolution No. 93-6 of September 22, 1993, hereinafter “the Resolution”) and provides clarifications for its application. These clarifications supplement the clarifications issued by the Board on October 17, 1996, and prevail over them in case of conflict. The report’s recommendations approved by the Board are as follows:

1. The Board reaffirms the Resolution, the importance of the Panel’s function, its independence and integrity.

2. Management will follow the Resolution. It will not communicate with the Board on matters associated with the request for inspection, except as provided for in the Resolution. It will thus direct its response to the request, including any steps it intends to take to address its failures, if any, to the Panel. Management will report to the Board any recommendations it may have, after the Panel completes its inspection and submits its findings, as envisaged in paragraph 23 of the Resolution.

3. In its initial response to the request for inspection, Management will provide evidence that
 - i. it has complied with the relevant Bank operational policies and procedures; or that
 - ii. there are serious failures attributable exclusively to its own actions or omissions in complying, but that it intends to comply with the relevant policies and procedures; or that
 - iii. the serious failures that may exist are exclusively attributable to the borrower or to other factors external to the Bank; or that
 - iv. the serious failures that may exist are attributable both to the Bank’s noncompliance with the relevant operational policies and procedures and to the borrower or other external factors.

The Inspection Panel may independently agree or disagree, totally or partially, with Management's position and will proceed accordingly.

4. When Management responds, admitting serious failures that are attributable exclusively or partly to the Bank, it will provide evidence that it has complied or intends to comply with the relevant operating policies and procedures. This response will contain only those actions that the Bank has implemented or can implement by itself.
5. The Inspection Panel will satisfy itself as to whether the Bank's compliance or evidence of intention to comply is adequate, and reflect this assessment in its reporting to the Board.
6. The Panel will determine the eligibility of a request for inspection independently of any views that may be expressed by Management. With respect to matters relating to the Bank's rights and obligations with respect to the request under consideration, the Panel will seek the advice of the Bank's Legal Department as required by the Resolution.
7. For its recommendation on whether an investigation should be carried out, the Panel will satisfy itself that all the eligibility criteria provided for in the Resolution have been met. It will base its recommendation on the information presented in the request, in the Management response, and on other documentary evidence. The Panel may decide to visit the project country if it believes that this is necessary to establish the eligibility of the request. In respect of such field visits, the Panel will not report on the Bank's failure to comply with its policies and procedures or its resulting material adverse effect; any definitive assessment of a serious failure of the Bank that has caused material adverse effect will be done after the Panel has completed its investigation.
8. The original time limit, set forth in the Resolution for both Management's response to the request and the Panel's recommendation, will be strictly observed except for reasons of force majeure, i.e., reasons that are clearly beyond Management's or the Panel's control, respectively, as may be approved by the Board on a no-objection basis.
9. If the Panel so recommends, the Board will authorize an investigation without making a judgment on the merits of the claimants' request, and without discussion except with respect to the following technical eligibility criteria:
 - a. The affected party consists of any two or more persons with common interests or concerns and who are in the borrower's territory (Resolution para. 12).
 - b. The request does assert in substance that a serious violation by the Bank of its operational policies and procedures has or is likely to have a material adverse effect on the requester (Resolution paras. 12 and 14a).
 - c. The request does assert that its subject matter has been brought to Management's attention and that, in the requester's view, Management has failed to respond adequately demonstrating that it has followed or is taking steps to follow the Bank's policies and procedures (Resolution para. 13).

- d. The matter is not related to procurement (Resolution para. 14b).
 - e. The related loan has not been closed or substantially disbursed (Resolution para. 14c).
 - f. The Panel has not previously made a recommendation on the subject matter or, if it has, that the request does assert that there is new evidence or circumstances not known at the time of the prior request (Resolution para. 14d).
10. Issues of interpretation of the Resolution will be cleared with the Board.
 11. The “preliminary assessment” concept, as described in the October 1996 Clarification, is no longer needed. The paragraph entitled “The Panel’s Function” in the October 1996 “Clarifications” is thus deleted.
 12. The profile of Panel activities, in-country, during the course of an investigation, should be kept as low as possible in keeping with its role as a fact-finding body on behalf of the Board. The Panel’s methods of investigation should not create the impression that it is investigating the borrower’s performance. However, the Board, acknowledging the important role of the Panel in contacting the requesters and in fact-finding on behalf of the Board, welcomes the Panel’s efforts to gather information through consultations with affected people. Given the need to conduct such work in an independent and low-profile manner, the Panel—and Management—should decline media contacts while an investigation is pending or under way. Under those circumstances in which, in the judgment of the Panel or Management, it is necessary to respond to the media, comments should be limited to the process. They will make it clear that the Panel’s role is to investigate the Bank and not the borrower.
 13. As required by the Resolution, the Panel’s report to the Board will focus on whether there is a serious Bank failure to observe its operational policies and procedures with respect to project design, appraisal, and/or implementation. The report will include all relevant facts that are needed to understand fully the context and basis for the panel’s findings and conclusions. The Panel will discuss in its written report only those material adverse effects, alleged in the request, that have totally or partially resulted from serious Bank failure of compliance with its policies and procedures. If the request alleges a material adverse effect and the Panel finds that it is not totally or partially caused by Bank failure, the Panel’s report will so state without entering into analysis of the material adverse effect itself or its causes.
 14. For assessing material adverse effect, the without-project situation should be used as the base case for comparison, taking into account what baseline information may be available. Non-accomplishments and unfulfilled expectations that do not generate a material deterioration compared to the without-project situation will not be considered as a material adverse effect for this purpose. As the assessment of material adverse effect in the context of the complex reality of a specific project can be difficult, the Panel will have to exercise carefully its judgment on these matters, and be guided by Bank policies and procedures where relevant.

15. A distinction has to be made between Management's report to the Board (Resolution para. 23), which addresses Bank failure and possible Bank remedial efforts, and "action plans," agreed between the borrower and the Bank, in consultation with the requesters, that seek to improve project implementation. The latter "action plans" are outside the purview of the Resolution, its 1996 clarification, and these clarifications. In the event of agreement by the Bank and borrower on an action plan for the project, Management will communicate to the Panel the nature and outcomes of consultations with affected parties on the action plan. Such an action plan, if warranted, will normally be considered by the Board in conjunction with the Management's report, submitted under Resolution para. 23.
16. The Panel may submit to the Executive Directors for their consideration a report on their view of the adequacy of consultations with affected parties in the preparation of the action plans. The Board should not ask the Panel for its view on other aspects of the action plans nor would it ask the Panel to monitor the implementation of the action plans. The Panel's view on consultation with affected parties will be based on the information available to it by all means, but additional country visits will take place only by government invitation.
17. The Board underlines the need for Management to make significant efforts to make the Inspection Panel better known in borrowing countries, as specified in the 1996 "Clarifications."
18. The Board emphasizes the importance of prompt disclosure of information to claimants and the public, as stipulated in the Resolution (paras. 23 and 25) and in its 1996 Clarifications. The Board requires that such information be provided by Management to claimants in their language, to the extent possible.
19. The Board recognizes that enhancing the effectiveness of the Inspection Panel process through the above clarifications assumes adherence to them by all parties in good faith. It also assumes the borrowers' consent for field visits envisaged in the Resolution. If these assumptions prove to be incorrect, the Board will revisit the above conclusions.

APPENDIX V

JOINT STATEMENT ON THE USE OF COUNTRY SYSTEMS

*Mexico Decentralized Infrastructure Reform and Development Project
(R2004-0077, 0077/3)*

**CHAIRPERSON OF THE INSPECTION PANEL
AND
SENIOR VICE PRESIDENT AND GENERAL COUNSEL**

We are in agreement that the country systems strategy would not change the role of the Inspection Panel as set forth in the 1993 Resolutions establishing the Panel. The Inspection Panel will continue to investigate whether Management is in compliance with its policies and procedures in the design, appraisal, and implementation of projects and programs. This means that if a request were filed with the Inspection Panel in the context of the Mexico Decentralized Infrastructure Reform and Development Loan Project, the Inspection Panel could, with regard to the issues raised, examine Management's assessment of the equivalence of the relevant Bank policies and procedures with the country system (and any additional measures agreed upon to achieve equivalence) in materially achieving the objectives of Bank policies and procedures, as well as Management's supervision of the project. The operational framework for the specific project or program agreed upon with the borrower would be the frame of reference for the borrower's performance and the Bank's supervision.²

Edith Brown Weiss
Chairperson
The Inspection Panel

Roberto Danino
Senior Vice President and General Counsel
The World Bank

June 8, 2004

² The Bank would continue to be bound by OP/BP 13.05 on Supervision, and the Inspection Panel would review Bank compliance with OP/BP 13.05. The Borrower will be supervised by the Bank, based on its implementation of the contractual arrangements reflected in the legal agreements.

APPENDIX VI

GEOGRAPHICAL DISTRIBUTION OF REQUESTS FOR INSPECTION

This map was produced by the Map Design Unit of The World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.





IBRD 32336R21

APPENDIX VII

TABLES

TABLE VII–A: SUMMARY OF INSPECTION PANEL CASES^a

JUNE 30, 2010

REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
1. Nepal: Arun III Proposed Hydroelectric Project and Restructuring of IDA Credit	October 24, 1994	Yes	Investigation	Yes	Eligibility Report and Investigation Report
2. Ethiopia: Compensation for Expropriation and Extension of IDA Credits to Ethiopia	May 2, 1995	No	—	—	—
3. Tanzania: Power VI Project	May 16, 1995	Yes	No investigation	Yes	Eligibility Report
4. Brazil: Rondônia Natural Resources Management Project	June 16, 1995	Yes	Investigation	No	Eligibility Report, Additional Review report, and Review of Progress in Implementation
5. Chile: Financing of Hydroelectric Dams in the Bio-Bío River	November 17, 1995	No	—	—	—
6. Bangladesh: Jamuna Multipurpose Bridge Project	August 23, 1996	Yes	No investigation	Yes	Eligibility Report, and Report on Progress on Implementation of Action Plan
7. Argentina/Paraguay: Yacyretá Hydroelectric Project (1996)	September 30, 1996	Yes	Investigation	No	Eligibility Report and Review of Present Project Problems and Assessment of Action Plans
8. Bangladesh: Jute Sector Adjustment Credit	November 13, 1996	Yes	No investigation	Yes	Eligibility Report
9. Brazil: Itaparica Resettlement and Irrigation Project	March 12, 1997	Yes	Investigation	No	Eligibility Report and Action Plan review
10. India: NTPC Power Generation Project	May 1, 1997	Yes	Investigation	Yes	Eligibility Report and Report on Desk Investigation

a. Normally, the Panel advises the Executive Directors and the President when it receives a Request for Inspection that it cannot process (as it did in the Requests regarding Chile: Bio-Bio River; India: NTPC, Second Request; Cameroon: Pipeline Project, Second Request; Burundi: Public Works and Employment Creation Project; Cameroon: Urban Development, Kenya: Export Development, and Poland: Third Policy Loan). The Inspection Panel received a letter, dated August 27, 1999, also addressed to the President and the Executive Directors of the World Bank, requesting for the second time the "installation of an Inspection Panel" to investigate the Itaparica Resettlement and Irrigation Project in Brazil. Because the Bank's loans for this project were then long closed, the Panel was precluded from processing this Request. Furthermore, as the Request had been already addressed to the President and Executive Directors, no action on the part of the Panel was necessary. However, some regard this extemporaneous request as a formal Request for Inspection that should be added to the Panel's records.

REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
11. India: Ecodevelopment Project	April 2, 1998	Yes	Investigation	No	Eligibility Report
12. Lesotho/South Africa: Phase 1B of Lesotho Highlands Water Project (1998)	May 6, 1998	Yes	No investigation	Yes	Eligibility Report
13. Nigeria: Lagos Drainage and Sanitation Project	June 17, 1998	Yes	No investigation	Yes	Eligibility Report
14. Brazil: Land Reform Poverty Alleviation Project	December 14, 1998	Yes	No investigation	Yes	Eligibility Report
15. Lesotho: Highlands Water Project (1999)	April 26, 1999	Yes	No investigation	Yes	Eligibility Report
16. China: Western Poverty Reduction Project	June 18, 1999	Yes	Investigation	Yes	Eligibility Report and Investigation Report
17. Argentina: Special Structural Adjustment Loan	July 26, 1999	Yes	No investigation	Yes	Eligibility Report
18. Brazil: Land Reform Poverty Alleviation Project, Second Request	September 14, 1999	Yes	No investigation	Yes	Eligibility Report
19. Kenya: Lake Victoria Environmental Management Project	October 12, 1999	Yes	Investigation	Yes	Eligibility Report and Investigation Report
20. Ecuador: Mining Development and Environmental Control Technical Assistance Project	December 13, 1999	Yes	Investigation	Yes	Eligibility Report and Investigation Report
21. India: NTPC Power Generation Project, Second Request	November 27, 2000	No	—	—	—
22. Chad: 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 and Investigation Report
23. India: Coal Sector Environmental and Social Mitigation Project and Coal Sector Rehabilitation Project	June 21, 2001	Yes	Investigation	Yes	Eligibility Report and Investigation Report
24. Uganda: Third Power Project, Fourth Power Project, and proposed Bujagali Hydropower Project	July 27, 2001	Yes	Investigation	Yes	Eligibility Report and Investigation Report
25. Papua New Guinea: Governance Promotion Adjustment Loan	December 6, 2001	Yes	No investigation	Yes	Eligibility Report

continued

REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
26. Paraguay/Argentina: Reform Project for the Water and Telecommunication Sectors, SEGBA V Power Distribution Project (Yacyretá 2002)	May 17, 2002	Yes	Investigation	Yes	Eligibility Report and Investigation Report
27. Cameroon: Petroleum Development and Pipeline Project, and Petroleum Environment Capacity Enhancement Project	September 25, 2002	Yes	Investigation	Yes	Eligibility Report and Investigation Report
28. Philippines: 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
29. Cameroon: Petroleum Development and Pipeline Project	November 26, 2003	No	—	—	—
30. Mexico: 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
31. Colombia: Cartagena Water Supply, Sewerage, and Environmental Management Project	April 20, 2004	Yes	Investigation	Yes	Eligibility Report and Investigation Report
32. & 33. India: Mumbai Urban Transport Project	April 28, 2004	Yes	Investigation	Yes	Eligibility Report and Investigation Report
	June 29, 2004	Yes			
34. Pakistan: National Drainage Program Project	September 10, 2004	Yes	Investigation	Yes	Eligibility Report and Investigation Report
35. Burundi: Public Works and Employment Creation Project	September 17, 2004	No	—	—	—
36. Cambodia: Forest Concession Management and Control Pilot Project	January 28, 2005	Yes	Investigation	Yes	Eligibility Report and Investigation Report
37. Democratic Republic of Congo: Transitional Support for Economic Recovery Credit Operation (TSERO) and Emergency Economic and Social Reunification Support Project (EESRSP)	November 19, 2005	Yes	Investigation	Yes	Eligibility Report and Investigation Report

REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
38. Honduras: Land Administration Project	January 3, 2006	Yes	Investigation	Yes	Investigation Report
39. Romania: Mine Closure and Social Mitigation Project	January 6, 2006	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
40. Nigeria: West African Gas Pipeline Project	April 27, 2006	Yes	Investigation	Yes	(First) Eligibility Report and Final Eligibility Report Investigation Report
41. Brazil: Paraná Biodiversity Project	July 10, 2006	Yes	No investigation	Yes	(First) Eligibility Report and Final Eligibility Report
42. & 43. Argentina: Santa Fe Infrastructure Project and Provincial Road Infrastructure Project	August 28, 2006 September 21, 2006	Yes Yes	No recommendation, as the Requesters failed to satisfy a procedural criterion 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
44. Uganda: Private Power Generation Project	March 5, 2007	Yes	Investigation	Yes	Eligibility Report Investigation Report
45. India: 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
46. Albania: Power Sector Generation and Restructuring Project	April 30, 2007	Yes	Investigation	Yes	Eligibility Report Investigation Report
47. & 48. Albania: Integrated Coastal Zone Management and Clean-Up Project	July 30, 2007 August 13, 2007	Yes Yes	Investigation	Yes	Eligibility Report Investigation Report
49. Ghana: Second Urban Environment Sanitation Project (UESP II)	August 16, 2007	Yes	Investigation	Yes	Eligibility Report Investigation Report
50. Cameroon: Urban Development Project and Second Urban Project	September 5, 2007	No	—	—	—
51. Argentina: Santa Fe Infrastructure Project and Provincial Road Infrastructure Project	September 13, 2007	Yes	Investigation	Yes	Eligibility Report Investigation Report

continued

REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
52. Colombia: Bogotá Urban Services Project	October 30, 2007	Yes	No recommendation, as the Requesters failed to satisfy a procedural criterion 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
53. & 56. Panama: Land Administration Project	February 25, 2009 March 17, 2009	Yes Yes	Investigation	Yes	Eligibility Report Investigation Ongoing
54. & 55. Democratic Republic of Congo: Private Sector Development and Competitiveness Project (See also Request 63)	February 25, 2009 March 13, 2009	Yes 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	(First) Eligibility Report and Second Eligibility Report
57. Yemen: Institutional Reform Development Policy Financing	April 13, 2009	Yes	Investigation. Prior to a Board Meeting called for by an Executive Director Management proposed an Enhanced Action Plan based on which the Panel proposed to defer its recommendation to investigate	Yes	Eligibility Report
58. India: Mumbai Urban Transport Project	May 29, 2009	Yes	No Investigation	Yes	Eligibility Report
59. Kenya: Export Development Project	April 21, 2009	No	—	—	—
60. Cambodia: Land Management and Administration Project	September 4, 2009	Yes	Investigation	Yes	Eligibility Report Investigation Ongoing
61. Peru: Lima Transport Project	October 1, 2009	Yes	Investigation	Yes	Eligibility Report Investigation Ongoing
62. Papua New Guinea: Smallholder Agriculture Development Project	December 17, 2009	Yes	Investigation	Yes	Eligibility Report Investigation Ongoing
63. Democratic Republic of Congo: Private Sector Development and Competitiveness Project (See also Requests 54 & 55)	December 15, 2009	Yes	Following the issuance of Management's Progress Report regarding the implementation of the Action Plan, the Panel will report to the Board and recommend on whether an investigation is warranted	Yes	Eligibility as part of Second Eligibility Report concerning Requests 54 & 55

	REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
64.	Pakistan: Tax Administration Reform Project	December 22, 2009	Yes	No Investigation	Yes	Eligibility Report
65.	South Africa: Eskom Investment Support Project	April 6, 2010	Yes	Investigation	Yes	Eligibility Report Investigation Ongoing
66.	Kazakhstan: South-West Roads: Western Europe-Western China International Transit Corridor	April 24, 2010	Yes	No Investigation	Yes	Eligibility Report
67.	Chile: Quilleco Hydropower Project	May 26, 2010	Yes	—	—	—
68.	Poland: Third Employment, Entrepreneurship and Human Capital Development Policy Loan	June 14, 2010	No	—	—	—

Source: Inspection Panel.

TABLE VII–B: ALLEGED VIOLATIONS OF POLICIES AND PROCEDURES PER REQUEST

JUNE 30, 2010

DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
1. 10/24/1994	Nepal: Arun III Proposed Hydroelectric Project and Restructuring of IDA Credit	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. 05/2/1995	Ethiopia: Compensation for Expropriation and Extension of IDA Credits to Ethiopia (not registered)	Dispute over defaults on external debt, expropriation, and breach of contract (OMS 1.28)
3. 05/16/1995	Tanzania: Power VI Project	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. 06/16/1995	Brazil: Rondônia Natural Resources Management Project	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. 11/17/1995	Chile: Financing of Hydroelectric Dams in the Bio-Bio River (not registered)	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)
6. 08/23/1996	Bangladesh: Jamuna Multipurpose Bridge Project	Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Involving nongovernmental organizations in Bank-supported activities (GP 14.70)

DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
7. 09/30/1996	Argentina/Paraguay: Yacretá Hydroelectric Project	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. 11/13/1996	Bangladesh: Jute Sector Adjustment Credit	Adjustment lending policy (OD 8.60) Project supervision (OP 13.05) Suspension of disbursements (OP 13.40)
9. 03/12/1997	Brazil: Itaparica Resettlement and Irrigation Project	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. 05/1/1997	India: NTPC Power Generation Project	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. 04/2/1998	India: Ecodevelopment Project	Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Forestry (OP 4.36)
12. 05/6/1998	Lesotho/South Africa: Phase 1B of Lesotho Highlands Water Project	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. 06/17/1998	Nigeria: Lagos Drainage and Sanitation Project	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
14. 12/14/1998	Brazil: Land Reform Poverty Alleviation Project, First Request	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. 04/26/1999	Lesotho: Highlands Water Project	Disputes over defaults on external debt, expropriation, and breach of contract (OP/BP 7.40) Disclosure of operational information (BP 17.50)
16. 06/18/1999	China: Western Poverty Reduction Project	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)

continued

DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
17. 07/26/1999	Argentina: Special Structural Adjustment Loan	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. 09/14/1999	Brazil: Land Reform Poverty Alleviation Project, Second Request	Poverty reduction (OD 4.15) Project supervision (OD 13.50) Disclosure of operational information (BP 17.50)
19. 10/12/1999	Kenya: Lake Victoria Environmental Management Project	Environmental assessment (OD 4.01) Poverty reduction (OD 4.15) Economic evaluation of investment projects (OP 10.04) Project supervision (OD 13.05)
20. 12/13/1999	Ecuador: Mining Development and Environmental Control Technical Assistance Project	Environmental assessment (OD 4.01) Wildlands (OPN 11.02) Indigenous peoples (OD 4.20) Project supervision (OD 13.05)
21. 11/27/2000	India: NTPC Power Generation Project, Second Request (not registered)	Involuntary resettlement (OD 4.30) Project supervision (OD 13.05) Environmental assessment (OD 4.01)
22. 03/22/2001	Chad: Petroleum Development and Pipeline Project, Management of the Petroleum Economy Project, and Petroleum Sector Management Capacity Building Project	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)
23. 06/21/2001	India: Coal Sector Environmental and Social Mitigation Project and Coal Sector Rehabilitation Project	Environmental assessment (OD 4.01) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Disclosure of operational information (BP 17.50) Management of cultural property in Bank-financed projects (OPN 11.03) Project supervision (OD 13.05)
24. 07/27/2001	Uganda: Third Power Project, Fourth Power Project, and proposed Bujagali Hydropower Project	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. 12/6/2001	Papua New Guinea: Governance Promotion Adjustment Loan	Forestry (OP 4.36) Adjustment lending policy (OD 8.60) Project supervision (OD/OP/BP 13.05)

DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
26. 05/17/2002	Paraguay: Reform Project for the Water and Tele-communication Sectors Argentina: SEGBA V Power Distribution Project	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. 09/25/2002	Cameroon: Petroleum Development and Pipeline Project, and Petroleum Environment Capacity Enhancement Project	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. 09/26/2003	Philippines: Manila Second Sewerage Project	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. 11/26/2003	Cameroon: Petroleum Development and Pipeline Project (not registered)	Involuntary resettlement (OD 4.30)
30. 01/26/2004	Mexico: Indigenous and Community Biodiversity Project (COINBIO)	Indigenous peoples (OD 4.20) Project supervision (OD/OP/BP 13.05)
31. 04/20/2004	Colombia: Cartagena Water Supply, Sewerage and Environmental Management Project	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. 04/28/2004	India: Mumbai Urban Transport Project	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OD 4.30) Disclosure of information (January 2002) Project supervision (OP/BP 13.05)
33. 06/29/2004	India: Mumbai Urban Transport Project—Gazi Nagar	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OD 4.30) Disclosure of information (January 2002) Project supervision (OP/BP 13.05)
34. 09/10/2004	Pakistan: National Drainage Program Project	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. 09/17/2004	Burundi: Public Works and Employment Creation Project (not registered)	Project supervision (OP/BP 13.05) Procurement (OP/BP 11.00)

continued

DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
36. 01/28/2005	Cambodia: Forest Concession Management and Control Pilot Project	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. 11/19/2005	Democratic Republic of Congo: Transitional Support for Economic Recovery Credit Operation and Emergency Economic and Social Reunification Support Project	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. 01/03/2006	Honduras: Land Administration Project	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)
39. 01/06/2006	Romania: Mine Closure and Social Mitigation Project	Environmental assessment (OD 4.01) Project supervision (OD/OP/BP 13.05) Disclosure of information (January 2002)
40. 04/27/2006	Nigeria: West African Gas Pipeline Project	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. 07/10/2006	Brazil: Paraná Biodiversity Project	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. 08/28/2006	Argentina: Santa Fe Infrastructure Project and Provincial Road Infrastructure Project	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Disclosure of information (January 2002)
43. 09/21/2006	Argentina: Santa Fe Infrastructure Project and Provincial Road Infrastructure Project	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12)

DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
44. 03/05/2007	Uganda: Private Power Generation Project	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. 03/07/2007	India: Uttaranchal Decentralized Watershed Development Project	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)
46. 04/30/2007	Albania: Power Sector Generation and Restructuring Project	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. 07/30/2007	Albania: Integrated Coastal Zone Management and Clean-Up Project	Poverty reduction (OP 1.00) Project appraisal (OMS 2.20) Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Project supervision (OP/BP 13.05)
48. 08/13/2007	Albania: Integrated Coastal Zone Management and Clean-Up Project	Project appraisal (OMS 2.20) Environmental assessment (OP/BP 4.01) Management of cultural property in Bank-financed projects (OPN 11.03)
49. 08/16/2007	Ghana: Second Urban Environment Sanitation Project (UESP II)	Project appraisal (OMS 2.20) Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12)
50. 09/05/2007	Cameroon: Urban Development Project and Second Urban Project (not registered)	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. 09/13/2007	Argentina: Santa Fe Road Infrastructure Project	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. 10/30/2007	Colombia: Bogotá Urban Services Project	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OP/BP 4.12) Project supervision (OP/BP 13.05)
53. 02/25/2009	Panama: Land Administration Project	Indigenous peoples (OD 4.20) Project supervision (OP/BP 13.05)

continued

DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
54. 02/25/2009	Democratic Republic of Congo: Private Sector Development and Competitiveness Project	Poverty reduction (OD 4.15) Bank financing (OP/BP 6.00) Financing severance pay in public sector reform operations (OpMemo) Project supervision (OP/BP 13.05)
55. 03/13/2009	Democratic Republic of Congo: Private Sector Development and Competitiveness Project	Poverty reduction (OD 4.15) Bank financing (OP/BP 6.00) Financing severance pay in public sector reform operations (OpMemo) Project supervision (OP/BP 13.05)
56. 03/17/2009	Panama: Land Administration Project	Indigenous peoples (OD 4.20) Project supervision (OP/BP 13.05)
57. 04/13/2009	Yemen: Institutional Reform Development Policy Financing	Development policy lending (OP/BP 8.60) World Bank policy on disclosure of information dated June 2002
58. 05/29/2009	India: Mumbai Urban Transport Project	Involuntary resettlement (OP 4.30) Project supervision (OP/BP 13.05)
59. 04/21/2009	Kenya: Export Development Project (not registered)	Environmental assessment (OP/BP 4.01)
60. 09/04/2009	Cambodia: Land Management and Administration Project	Involuntary resettlement (OP 4.30) Project supervision (OP/BP 13.05)
61. 10/01/2009	Peru: Lima Transportation Project	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. 12/08/2009	Papua New Guinea: Smallholder Agriculture Development Project	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)
63. 12/15/2009	Democratic Republic of Congo: Private Sector Development and Competitiveness Project	Poverty Reduction (OD 4.15) Bank Financing (OP/BP 6.00) Financing Severance Pay in Public Sector Reform Operations (OpMemo) Project Supervision (OP/BP 13.05)
64. 12/22/2009	Pakistan: Tax Administration Reform Project	Project Supervision (OP/BP 13.05) Investment Lending (OP/BP 10.00) Project Appraisal (OMS 2.20)
65. 04/06/2010	South Africa: Eskom Investment Support Project	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. 04/24/2010	Kazakhstan: South-West Roads: Western Europe-Western China International Transit Corridor	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)

DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
67. 05/26/2010	Chile: Quilleco Hydropower Project	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. 06/14/2010	Poland: Third Employment, Entrepreneurship and Human Capital Development Policy Loan (not registered)	Disputes over defaults on external debt, expropriation, and breach of contract (OP/BP 7.40) Development policy lending (OP/BP 8.60)

Source: Inspection Panel.

Note: BP = Bank Procedure; IDA = International Development Association; OD = Operational Directive; OMS = Operational Manual Statement; OP = Operational Policy; OpMemo = Operational Memorandum; OPN = Operational Policy Note.

APPENDIX VIII

FIGURES

FIGURE VIII–A POLICY-RELATED ISSUES MOST OFTEN RAISED IN REQUESTS
As of June 30, 2010

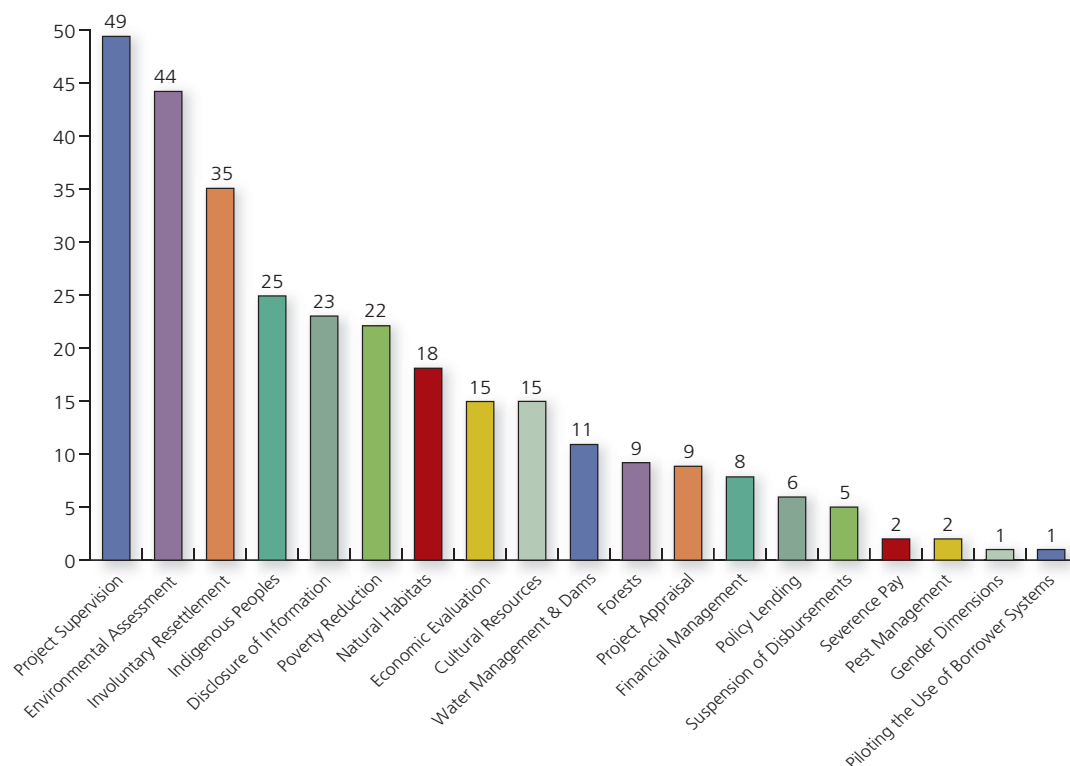
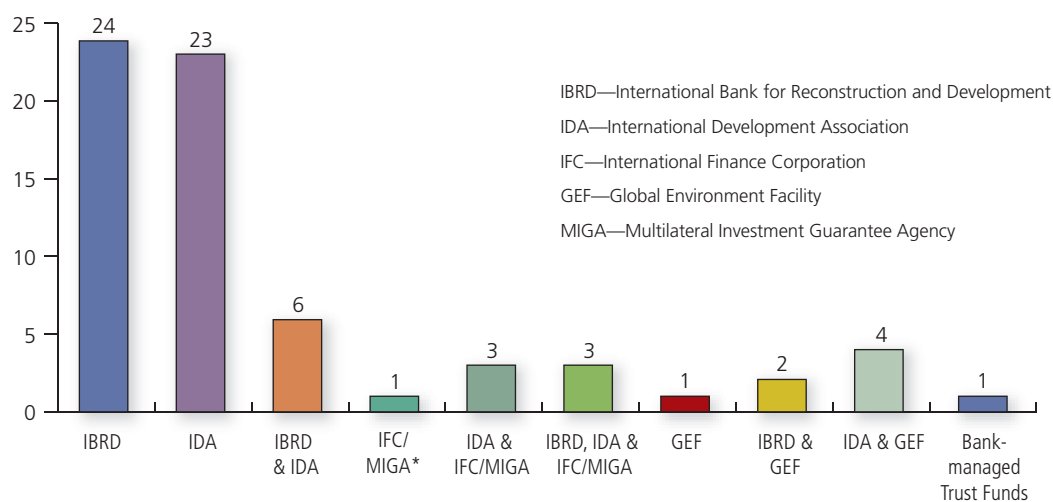


FIGURE VIII–B FINANCING FOR PROJECTS SUBJECT TO REQUESTS
As of June 30, 2010



* The Panel's mandate does not cover IFC/MIGA. However, in November 1995, the Panel received a Request regarding a project financed solely by IFC/MIGA, and forwarded the Request to the Bank's president. Thereafter, in 1999, the Bank established IFC/MIGA's Compliance Advisor Ombudsman.

FIGURE VIII–C PERCENTAGE OF REQUESTS RECEIVED PER REGION
As of June 30, 2010

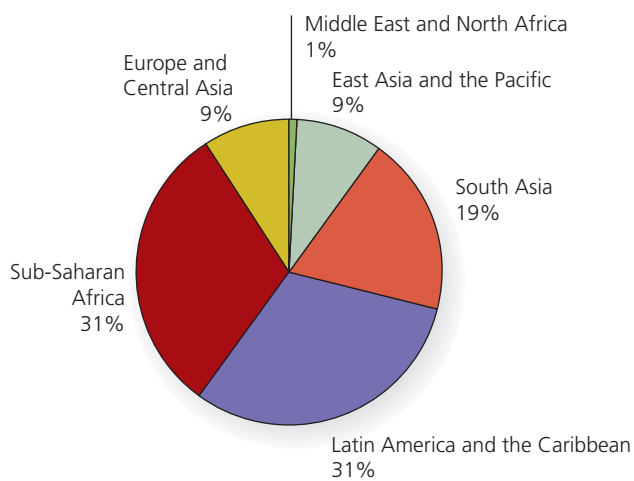
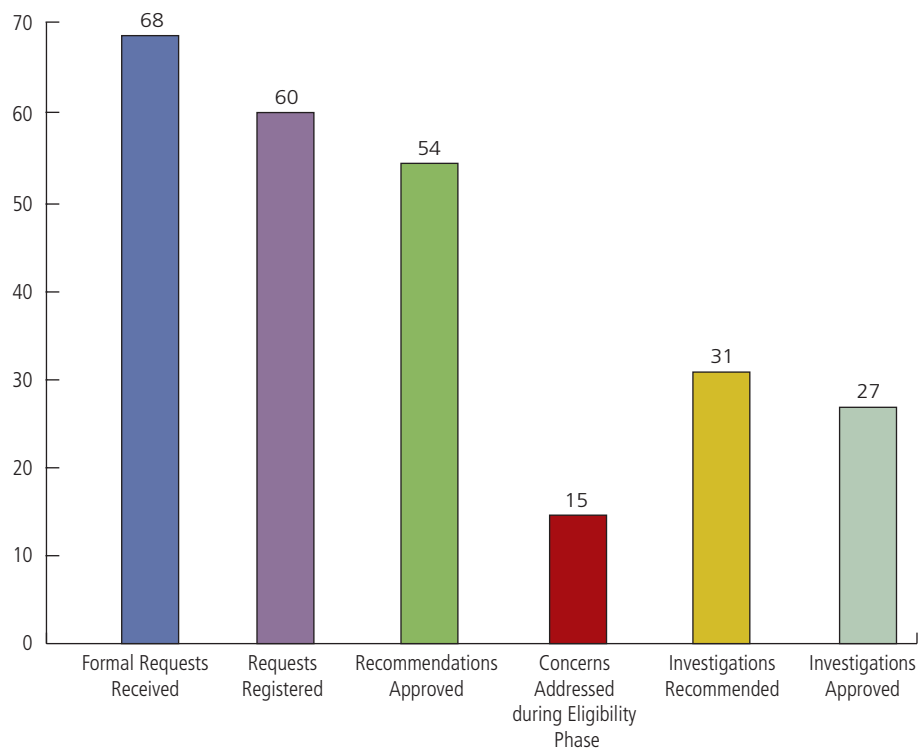


FIGURE VIII–D PANEL’S REQUEST RECORD
As of June 30, 2010



APPENDIX IX

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.
2. Name and description of the Bank project.
3. Adverse effects of the Bank project.
4. If you are a representative of affected people, attach explicit written instructions from them authorizing you to act on their behalf.

These key questions must be answered:

1. Can you elaborate on the nature and importance of the damage caused by the project to you or those you represent?
2. Do you know that the Bank is responsible for the aspects of the project that has or may affect you adversely? How did you determine this?
3. 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?
4. Have you contacted or attempted to contact Bank staff about the project? Please provide information about all contacts, and the responses, if any, you received from the Bank. You must have done this *before* you can file a request.
5. Have you tried to resolve your problem through any other means?
6. If you know that the Panel has dealt with this matter before, do you have new facts or evidence to submit?

Please provide a summary of the information in no more than a few pages. Attach as separate documents as much other information as you think necessary. Please note and identify attachments in your summary.

You may wish to use the accompanying 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;
or The Inspection Panel, P.O. Box 27566, Washington, DC 20038, USA
or c/o the appropriate World Bank Country 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.
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 polices you believe have not been observed]
5. We have complained to World Bank staff on the following occasions [list dates] by [explain how the complaint was made]. We have received no response, [or] we have received a response and we are not satisfied that the explanations and answers solve our problems for the following reasons:
6. We request 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 email address:

List of attachments

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

APPENDIX X

THE INSPECTION PANEL BUDGET

JULY 1, 2009–JUNE 30, 2010

(THOUSANDS OF U.S. DOLLARS)	
Consultants ^a	631.5
Salaries ^b	1,122.9
Temporaries	57.4
Publications	78.0
Travel	487.5
Benefits	561.5
Communications and IT Services	91.3
Equipment and Building Services	4.0
Representation and Hospitality	7.9
Contractual Services	143.5
Other Expenses	14.4
Office Occupancy	169.1
Total Expenses	3,369.1
Current Budget	3,361.4

Note: Numbers may not add to totals because of rounding.

a. Includes Panel Members' fees.

b. Includes Chairperson's salary.

The Inspection Panel 

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