

The Inspection Panel

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International Bank for Reconstruction and Development
International Development Association

Annual Report

August 1, 1996 to July 31, 1997

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OVERVIEW

The Inspection Panel is an unprecedented international body. It is an independent three-member non-judicial complaint mechanism to be accessed by private citizens and potentially affected groups, if they believe that they or their interests have or are likely to be harmed by World Bank financed projects.

Anyone may access the Panel—that is to say submit a “Request for Inspection”—provided that at a minimum they:

- ◆ live in or represent people in the area affected by the project;
- ◆ feel they are or are likely to be affected adversely by project activities;
- ◆ believe that actual or likely harm results from failure by the Bank to follow its policies and procedures;
- ◆ have discussed their concerns with Bank Management and are not satisfied with the reaction.

When the Panel accepts a “Request for Inspection”, the following steps are taken:

- ◆ The Panel sends the Request to Bank Management;
- ◆ Bank Management prepares a response to the allegations and submits it to the Panel;
- ◆ The Panel makes a preliminary review of the Request, conducts an independent assessment of the alleged damage suffered by the Requesters and of the merits of the Bank Management response to it, and recommends to the Bank Board whether or not the Request should be investigated;
- ◆ If the Board approves a Panel recommendation to investigate, the Panel then proceeds with the investigation, and reports its findings to the Board as well as to Management;
- ◆ The Bank Management then has six weeks to submit its recommendations to the Board on what, if any, actions the Bank should take in response to the Panel's findings;
- ◆ Based on the Panel's findings and the Bank Management's recommendations, the Board then takes the final decision on what should be done.

The Panel's operations have of necessity to be innovative and are still evolving with experience. What follows here is a report on the Panel's structure, its operations during 1996-1997, and lessons that might be drawn from its three years of experience.

Procedures for filing Requests for Inspection and the Panel's method of functioning is laid out in *Operating Procedures* the Panel members developed to implement Board Resolutions that created the Panel. Operating authority comes from identical Resolutions of the International Bank for Reconstruction and Development (IBRD No. 93-10) and International Development Association (IDA 93-6) adopted by the Executive Directors of both institutions on September 22, 1993. The text of the Resolutions and the *Operating Procedures* are included in Annexes to this Report.

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LETTER OF TRANSMITTAL

This Report, which covers the period from August 1, 1996 to July 31, 1997, has been prepared by the members of the Inspection Panel for the International Bank for Reconstruction and Development and the International Development Association in accordance with the Resolution establishing the Panel. This Report is being circulated to the President and the Executive Directors of both institutions.

The Panel members would like to take this opportunity to express appreciation for the support for the operations of the Panel from the Bank's President, James D. Wolfensohn, as well as from the Bank's Executive Directors. They have recognized on one occasion after another the rarity and fragility of public accountability of international institutions, and therefore sustained the Panel as a central element of their commitment to transparency, participation, and the rights of beneficiaries.

Richard E. Bissell
Chairman

July 31, 1997

INTRODUCTION

On July 31, 1997, we completed the third year as members of the independent Inspection Panel for the IBRD and IDA. This report highlights successes and difficulties of an unprecedented international function which, after responding to ten formal Requests for Inspection ("Requests") in three years, is still facing unanticipated procedural challenges and new substantive development problems.

At the end of two years of the Panel's existence, the Board of Executive Directors ("Board") carried out the task mandated by the Resolution establishing the Panel, which was to "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." That review was completed on October 17, 1996, with the adoption by the Board of "clarifications of certain aspects of the Resolution." In addition to giving permanent status to the Panel, the principal points addressed by the Board were:

- ◆ To provide the Panel with greater flexibility in addressing the eligibility issues during the first phase after receipt of a Request. Owing to evolving practice of the Board in requesting additional information, it was thought prudent to provide the Panel with a period of time beyond the 21 days envisioned in the original Resolution for undertaking a "preliminary assessment" of the issues on the ground. Under the Board's new guidance, the Panel may take up to eight weeks to perform this assessment, and if more time is needed, it may ask the Board for additional time on a no-objection basis.
- ◆ To clarify several terms open to disputed interpretation. The Board:
 - ◆ reaffirmed that an "affected party" under the Resolution was a community of persons such as an organization, association, society or other grouping of individuals that includes two or more persons who share some common interests or concerns;
 - ◆ affirmed that the term "project" was used as it generally is in the Bank's practice, and to include all projects under consideration by Bank management as well as projects already approved by the Board;
 - ◆ confirmed the Panel's practice of not accepting complaints about procurement matters whether they concerned actions taken by the Bank or by a borrower.
- ◆ To direct Management to improve the outreach and transparency of Panel proceedings. The Board decided that this would be accomplished by (1) making Management responses to Requests available to the public within three days after the

- ◆ Board has decided on whether to authorize an investigation; (2) making opinions of the General Counsel available to the public promptly after the Board has dealt with the issues involved, unless the Board decides otherwise in a specific case; and (3) having Management make significant efforts to make the Panel better known in borrowing countries.

The full text of the clarifications by the Executive Directors is available in ANNEX 1.

With the deepening of Panel experience in responding to another five formal Requests during the last year the lessons to be drawn are both clearer and more diverse than before. At the time of the 1996 Panel Report, only five Requests had been received in two years—of which two had progressed beyond the preliminary stage. With more complex projects, involving a variety of alleged policy violations, the Panel has clearly moved into a new phase. From the various Requests, three of which are still in various stages of Panel review and investigation, some important milestones may be noted:

- ◆ The first Request relating to an adjustment operation—the Bangladesh Jute Sector Adjustment Credit—was registered by the Panel, and found in compliance with the eligibility criteria of the Resolution.
- ◆ The first Request to inspect a binational project—the Yacyretá hydroelectric project in Argentina and Paraguay—introduced important issues of eligibility and responsibility.
- ◆ The first Request filed simultaneously with an inspection mechanism of a co-financing international financial institution (Inter-American Development Bank) was received.

Each of these new elements provoked serious discussion about their potential to contribute to strengthening the Bank practice as well as to indicating areas of additional work for the Panel.

As reported in 1996, the Panel was able to cite, even at that early stage of its work, some of the substantial benefits to the development process arising from the existence and work of an independent inspection mechanism. Some of those benefits became even more evident with the expansion of the Panel's workload in the last year. Among the most important are:

- ◆ Enabling some people who feel adversely affected by the implementation of Bank projects to have access through a formal independent mechanism to voice their concerns. The predominant areas of concern continue to be the application of policies affecting the environment and involuntary resettlement.
- ◆ Providing the Board of Executive Directors and Bank Management with the results of an independent review of troubled projects. In most cases this resulted in the introduction of remedial action plans or programs being introduced to meet the concerns of the Requesters.

- ◆ Enhancing public confidence in the Bank's commitment to greater transparency and accountability through a thorough airing of complaints about specific projects.

The five new Requests received during the past year all required extensive use of Panel resources, and each raised issues of substance or procedure that required special attention from the Panel and from the Board. The Board has continued the pragmatic tradition established during the first two years, taking an approach to eligibility and other technical issues that reinforced the role of the Panel as an open and transparent mechanism to involve intended beneficiaries in the operational work of the Bank.

Just as the Board in its 1996 review emphasized the need for greater outreach by the Panel, so the Panel has grown in its role as an informal sounding-board for intended project beneficiaries with complaints about the Bank. The Panel has sought constructive solutions for all interested parties and, in some cases it has been able to refer complainants to staff for management actions without the formal involvement of the Panel.

The presence of the Panel has met with a healthy skepticism both inside and outside the Bank. The Panel's evolution over the past three years has reinforced the need to have a genuinely independent body with an arm's length, even-handed perspective." We value greatly the confidence in our independence and constructive role expressed by the Board, the President, Bank staff, Requesters, NGOs, the public and development experts.

Richard E. Bissell
Ernst-Günther Bröder
Alvaro Umaña Quesada

ABOUT THE PANEL

The Panel members assumed their responsibilities on August 1, 1994 and the office opened in September 1994. The establishment of a full-time Secretariat for the Panel almost immediately produced benefits for the Panel, for Requesters, and for the Bank that could not have been anticipated. The independence of the Panel was safeguarded by the existence of a structure independent of Bank Management, as well as the Chairman of the Panel being available on a full-time basis to consult with Requesters.

Inspection Panel. It consists of three members who were appointed by the Board in April 1994, on the basis of qualities set out in the Resolution—"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 living conditions in developing countries." The terms of the first appointees—Mr. Ernst-Günther Bröder, a German national, Mr. Alvaro Umaña Quesada, a Costa Rican national, and Mr. Richard E. Bissell, a United States national—are staggered respectively for five, four, and three years. Subsequent members will each serve one five-year term.

In July 1997, the Executive Directors selected Mr. Jim MacNeill, a Canadian national, to succeed Mr. Bissell on the Panel, with service to begin from August 1, 1997.

Chairperson. The first Chairman, Mr. Ernst-Günther Bröder, was appointed by the Board. After the first year, the Panel members were required to select their Chairman. Mr. Bröder was elected to serve a second year and then Mr. Bissell for the past year. In August 1997, Mr. Umaña will assume the Chair after election by his colleagues.

Secretariat. The Panel has a permanent Secretariat, headed by the Executive Secretary, Mr. Eduardo G. Abbott, a Chilean national. The office also consists of an Assistant Executive Secretary—Ms. Antonia M. Macedo, a New Zealand national—and two office staff. The Secretariat provides administrative support to the Chairman and Panel members, helps in the processing of Requests and responding to queries from potential Requesters, and coordinates other activities such as information dissemination, requests for information, Panel consultations inside and outside the Bank, and disclosure processes.

BOX 1. Inspection Panel Members

Mr. Richard Etter Bissell is a former senior official of the U.S. Agency for International Development (USAID). He served at USAID from 1986-1993, as head of policy and later as head of USAID's research and technical support bureau, and was previously a professor at several U.S. universities, including Georgetown University and the University of Pennsylvania. He has published widely, in both books and articles, on political economy in developing countries. He was educated at Stanford University, and took his Ph.D. at the Fletcher School of Law and Diplomacy, Tufts University. **Panel Member to July 31, 1997.**

Mr. Alvaro Umaña-Quesada was Professor and Director of the Natural Resources Management Program at INCAE, a Latin American Graduate School of Management. He served as Costa Rica's first Minister of Natural Resources from 1986-1990 under President Arias. Mr. Umaña is a member of the Board of the Rockefeller Foundation and the World Resources Institute. He has published several books and many technical articles on energy, economics of natural resources and environment. Mr. Umaña is a private entrepreneur in the ecotourism and conservation areas and is involved in sustainable wildlife reproduction and export. Mr. Umaña holds a Ph.D. in environmental Engineering and a Master in Economics from Stanford University. He also holds a Masters Degree in Environmental Pollution Control and a Bachelor's Degree in Physics from Pennsylvania State University.

Dr. Ernst-Günther Bröder is the former President of the European Investment Bank (EIB) (1984-1993), where he also served as a director from 1980-1984. He held several supervisory and consultative functions in international banks and other institutions. Mr. Bröder was a Governor of the European Bank for Reconstruction and Development from 1991-1993, and a member of the special advisory group for the Asian Development Bank in Manila from 1981-1982. He is a member of the Panel of Conciliators for the International Centre for Settlement of Investment Disputes, Washington. Before being appointed President of the EIB he served from 1964-1984 with the Kreditanstalt für Wiederaufbau in Frankfurt, where he was a member of the Managing Board from 1975-1984 and spokesman since 1980. He has written and co-authored several books and articles on financial and economic subjects. Dr. Bröder holds a Doctorate in Economics from the University of Freiburg, and studies political and natural sciences at the University of Cologne, Mainz, and Paris.

Panel Member beginning August 1, 1997

Mr. Jim MacNeill is a policy advisor on the environment, energy, management, and sustainable development to international organizations, governments, and industry. He is Chairman of the International Institute for Sustainable Development, and a member of the boards of the Woods Hole Research Center, the Wuppertal Institute on Climate and Energy Policy, the Environmental Education and Training Institute of North America, and Ontario Hydro. He was Secretary General of the World Commission on the Environment and Development (the Brundtland Commission) and a major author of the Commission's world-acclaimed report, "Our Common Future". He served for seven years as Director of Environment for the Organization for Economic Cooperation and Development (OECD). Earlier, he was a deputy minister in the Government of Canada. Mr. MacNeill holds a graduate diploma in Economics and Political Science from the University of Stockholm and Bachelor's Degrees in Science (Math and Physics) and Mechanical Engineering from Saskatchewan.

Formal Requests for Inspection

During three years, the Panel has processed ten formal Requests, the first five of which are described in the 1996 Panel Report. Four of five were fully disposed of in that period. In one case, Request No. 4, the Panel continued to review the progress on the Management Action Plan: the background and outcome are discussed below. BOX 2 contains a list of all Requests to date, and is followed by summaries of the five requests dealt with in the past year.

REQUEST NO. 4: BRAZIL: RONDONIA NATURAL RESOURCES MANAGEMENT PROJECT ("PLANAFLORO")

The Request filed in June 1995 by a group of local beneficiaries—including rubber tappers and indigenous people—was the subject of an initial field study by the Panel, and in August 1995, the Panel recommended an investigation. The Board chose to request an "Additional Review" by the Panel in order to obtain more factual information about the problems on the ground, and the Panel submitted a report to the Board in December 1995. When the Board considered that report on January 25, 1996, it expressed appreciation for the report and decided that it would not be advisable to proceed with the investigation recommended by the Panel. Instead, in view of the complexity of the project and the desire of the Bank to help assure its success, the Board agreed to review Management's progress report in six to nine months and invited the Panel to assist in that review.

In an informal Board meeting on January 21, 1997, the Executive Directors instructed the Panel to review the progress of the project and to prepare a status report, based on a December 2, 1996 Management report on the status of implementation.

The Panel issued its report to the Board on March 25, 1997. The Panel concluded that there had been significant progress in the supervision and administration of the project. The essential "Second Approximation of Zoning" component, although late in starting, seemed to be progressing satisfactorily. That component was essential to provide a better basis for the execution of the zoning and land regularization components under a restructured project. Unfortunately, deforestation and invasions of protected conservation, indigenous, and extractive areas continued to be major problems. Also, in spite of short-term efforts and the active participation of indigenous people's organizations, the health component for indigenous people continued to lack a sustainable solution.

The Board considered the Panel's review of the progress in implementation of the project on April 3, 1997. No further involvement by the Panel was requested by the Board.

REQUEST NO. 6: BANGLADESH: JAMUNA MULTIPURPOSE BRIDGE PROJECT

On August 23, 1996, the Panel received a Request from the Jamuna Char Integrated Development Project, a non-governmental

BOX 2. Requests for Inspection.

The Panel has received ten formal Requests since the beginning of its operations in September 1994.

#1. Planned Arun III Hydroelectric Project in Nepal, 1994

#2. Compensation for Expropriation of Foreign Assets in Ethiopia, 1995

#3. Emergency Power Project in Tanzania, 1995.

#4. Rondônia Natural Resources Management Project in Brazil (Planaflo), 1995

#5. Panguel/Ralco Complex of Hydroelectric Dams, Chile, 1995

#6. Jamuna Bridge Project in Bangladesh, 1996

#7. Yacyretá Hydroelectric Project, Argentina/Paraguay, 1996

#8. Jute Sector Adjustment Credit, Bangladesh, 1996

#9. Itaparica Resettlement and Irrigation Project in Brazil, 1997

#10. NTPC Power Generation Project in Singrauli, India, 1997

Summaries available on the Panel's web site, from the Panel office or World Bank offices around the world. The text of all Panel documents are publicly available through the Bank's Public Information Centers.

organization representing people who live on the islands (chars) in the project area. They claimed that their livelihood and property rights have been or may be harmed by the Bank-financed project. They alleged that policies and procedures relating to involuntary resettlement, environmental assessment, and NGO participation had not been observed. The Chairman of the Panel registered the Request on August 26, 1996, and IDA Management

submitted its Response on September 23, 1996.

The Panel reviewed, both in Washington and at the bridge site, the claims of the char people that the restriction of the river channel through training works was likely to result in destruction or permanent flooding of the islands on which they lived and earned a living. The Panel found that the existence of the char people was not even acknowledged in the initial resettlement plan of the project, and that they appeared to have been forgotten during project design and appraisal, and in the implementation of the resettlement plan.

In its report to the Board, dated December 2, 1996, the Panel concluded that the 3,000 people signing the Request were clearly eligible. It also examined carefully the hastily-drafted and adopted Erosion and Flood Policy, designed in August-September 1996 by the borrower and the Bank to compensate the char dwellers affected by river erosion in the vicinity of the Bridge.

The Panel was not satisfied that Management had fully complied with the policies and procedures on environmental assessment, on involuntary resettlement, and particularly on participation. In that situation, while the Panel identified areas that could have been the subject of an investigation, it concluded that the Erosion and Flood Policy could constitute an "adequate and enforceable framework that would allow -- and show the intentions of -- Management to comply with the policies and procedures relevant to the Requesters' concerns." If balanced supervision and constant monitoring were forthcoming by Management, the Panel believed that an investigation of the Project at that time would not be warranted.

The Board met on the Jamuna Bridge report on April 3, 1997, and accepted the recommendation of the Panel. The Board requested Management to submit to it, in due course, a progress report on implementation, and the Panel will be invited at that time to provide comments.

REQUEST NO. 7: ARGENTINA/PARAGUAY: YACYRETÁ HYDROELECTRIC PROJECT

On September 30, 1996, a group of people living in Encarnación, Paraguay, and represented by Sobrevivencia, a Paraguay NGO, filed a Request for Inspection of the Bank-financed Yacyretá Hydroelectric Project. They claimed that they had been, and may potentially be, directly and adversely affected in their standards of living, health and economic well-being as a result of the filling of the Yacyretá Reservoir and the Bank's omissions and failures in the preparation and implementation of the project. The Request was registered on October 1, 1996, and Management submitted its Response on November 1, 1996.

Management, in its Response, challenged the eligibility of the Requesters in four ways: (1) Only one loan out of many made by the Bank remained open or less than 95%-disbursed, thereby restricting the scope of the Panel's jurisdiction to Loan 2854-AR; (2) The Bank loans for the Yacyretá project were all made to Argentina, and the Requesters were from Paraguay, thus being ineligible by virtue of paragraph 12 of the Board Resolution; (3) Sobrevivencia could not file the claim on its own behalf, not having been damaged, but could do so on behalf of the residents of Encarnación; and (4) The confidentiality claimed by the Requesters inhibited the ability of Management to respond to their concerns.

The Panel assessed the eligibility issues in its Report to the Board, and came to the conclusion that the Requesters were eligible, not only owing to the binational character of the project and the obligations accepted by the Government of Paraguay, but also because: (1) Another loan had been made, to Paraguay, with an element to address the resettlement of people living in Encarnación displaced by the reservoir; (2) A local NGO would have the right to file a Request with regard to damage caused by violation of a policy where no people lived (e.g., biodiversity and other environmental conditions); (3) Anonymity has, since the first case before the Panel, been recognized as a legitimate demand by Requesters where they may suffer reprisals, and the Panel always takes care to confirm the identity and concerns of anonymous Requesters when visiting the site.

The cumulative amount of Bank financing for this project, at the time of the Request, was \$895.1 million during a period of involvement that stretched back to the mid 1970s.

The bi-national character of the project – jointly owned and developed by the governments of Paraguay and Argentina through a bi-national entity – raised complicated issues for the Panel. More government entities needed to be consulted, and remedies for the problems in the project required the agreement of many more parties. Even the proposed privatization of the project required the agreement of two governments, with both executive and legislative branches involved.

To further complicate matters, the project was co-financed with the Inter-American Development Bank ("IDB"), to which a separate Request was submitted at the same time.

The Requesters alleged that the filling of the reservoir to 76 meters above sea level had, inter alia: (1) caused the water to become stagnant and polluted, which contaminated the groundwater supplies used for drinking water; (2) affected sanitation systems through discharge of untreated sewage into now stagnant waters that creates health hazards; (3) destroyed crops; (4) inundated and destroyed island communities and ecosystems; (5) flooded farmlands and wildlife; (6) displaced local people and wildlife; and (7) disrupted fish migration through damming the river, with impact on subsistence diets and biodiversity. Ten policies were cited by the Requesters as potentially violated, with a particular focus on the environmental policies, resettlement policy, and project supervision.

The Panel reviewed the situation on the ground with regard to the effect of this massive project, spanning more than twenty years and exceeding \$ 8 billion in cost. The Panel was impressed by the imbalance of the project's implementation: the main civil infrastructure component was virtually complete, while only a third of the housing in the resettlement component was complete and other activities and social mitigation measures lagged far

behind. There remained about \$800 million of social and environmental works to be completed for the full operation of the reservoir. While Management did submit several action plans for Panel and Board consideration, the Panel was satisfied that there had been material adverse effects which may have resulted from policy violations of a serious nature. Therefore, the Panel recommended, in its report on December 26, 1996, that the Board authorize an investigation.

The Board met on February 28, 1997 to consider the Panel's recommendation. Instead of accepting the recommendation to investigate, it decided to "invite the Inspection Panel to undertake a review of the existing problems of the Yacyretá project in the areas of environment and resettlement and provide an assessment of the adequacy of the Action Plan as agreed between the Bank and the two countries concerned within the next four months." The Board also indicated that "independent of the above decision, the Inspection Panel is expected to look at the extent to which the Bank staff had followed Bank procedures with respect to this project."

The Panel immediately launched a review and assessment to comply with the Board's request. In the course of conducting field research on the project, the Inspector was given oral and written Requests asking the Panel to review aspects of project execution which, according to them, were detrimental to the people, communities and environment on the Argentine side of the reservoir. The Panel concluded that, while some of these Requests could be regarded as new, in substance the issues they raise are the same as in the original Request. In consultation with the Board, the Panel incorporated those new Requests into the ongoing assessment that was by then carried out in parallel with the Investigation Mechanism of the IDB. Informal cooperation

BOX 3. Who Can File a Request

At minimum Requesters must show in writing that they:

- live in or represent people in the project area
- are or are likely to be affected adversely by project activities
- believe that actual or likely harm results from failure by the Bank to follow its policies and procedures
- discussed their concerns with Bank Management and are not satisfied with the reaction.

Detailed steps are explained in the Panel's *Operating Procedures* and Suggested Request Form.

between the two inspection mechanisms was productive and a useful precedent for any other jointly financed projects: both were due to report to their respective Boards by the end of August 1997.

REQUEST NO. 8: BANGLADESH: JUTE SECTOR ADJUSTMENT CREDIT

On November 13, 1996, the Panel received a Request for Inspection from a group of citizens of Bangladesh who were shareholders/CEOs of private sector jute mills, claiming adverse effects from acts and omissions of IDA's supervision of the jute sector adjustment program. While the reform program was intended to aid the private sector, the Requesters claimed that they had instead been harmed through some flaws in the program's design and then by the increasingly adverse effects of the three-year delay in implementation. The Request was registered, and on December 26, 1996, the Panel received Management's Response. Management asserted that all policies and procedures had been observed, and that in any case, acts and omissions in relation to implementation of adjustment credits -- in contrast to investment credits -- were the sole responsibility of the borrower; thus the Request was not within the Panel's mandate.

The Panel found the Requesters to be eligible and that they had suffered and were likely to suffer substantial damage as a result of the implementation of the adjustment credit. Moreover, the Panel rejected Management's claim that it had no responsibility for implementation of adjustment credits. The Panel's view was reinforced by a legal opinion from the Bank's General Counsel who listed a range of remedies that would be available to the Bank in the case of non-compliance with covenants of adjustment credits.

BOX 4. Processing Requests

When the Panel receives a Request the following are the formal steps that should be taken:

- The Panel sends the Request to Bank Management who prepare a response to the allegations and submit it to the Panel.
- The Panel makes a preliminary review of the Request, conducts an independent assessment of the merits of the Bank Management response to it, and recommends to the Bank Board whether or not the Request should be investigated.
- If the Board approves a Panel recommendation to investigate, the Panel then proceeds with the investigation.
- When the Panel finishes an investigation, it sends its findings to the Board as well as to Bank Management.
- The Bank Management then has six weeks to submit its recommendations to the Board on what actions the Bank should take in response to the Panel's findings.
- Based on the Panel's findings and the Bank Management's recommendations, the Board then takes the final decision on what should be done.

With regard to the substance of the reform program, Management made it clear that implementation had been largely unsuccessful, and that the impending closing date of the project (with most of the credit undisbursed) raised important doubts about the possibility of negotiating an acceptable reform program at that time.

The Panel agreed with the need for a new approach to reform, and felt that an investigation would serve no useful purpose without it being clear that Management intended to remain engaged in jute sector reform in Bangladesh. In that spirit, the Panel did not recommend to the Board that an investigation be authorized. The Board agreed with the view in a meeting on April 4, 1997. In June 1997, Bank Management allowed the loan to close.

**REQUEST NO. 9: BRAZIL: ITAPARICA
RESETTLEMENT AND IRRIGATION
PROJECT**

On March 19, 1997, the Panel received and registered its ninth Request, from 121 individuals and the Polo Sindical do Submedio Saõ Francisco, an organization representing people displaced and resettled by the Itaparica hydroelectric facility (not financed by the Bank).

This project, dedicated solely to resettlement of those displaced in the mid 1980s, was intended to finance new housing, technical assistance and the construction of irrigation works for the farmers with a substantial improvement in income. The Request was triggered by allegations that the project, after eleven years of implementation, had completed only 44% of the irrigation works, and no foreseeable sustainable increase in *agricultural income*.

Management submitted its Response to the Request on April 24, 1997, and the Panel undertook a preliminary review in May in Washington and in the Saõ Francisco river valley of Brazil.

The project as designed intended that the irrigation works would be completed within one year of project authorization (1987), and that the remainder of the project, especially technical assistance to the farmers to guarantee sustainable incomes, would be completed by 1990. Instead, with four extensions of the closing date, and a cost overrun of more than 200% to date, there still remained a financing gap of at least \$100 million just for the Bank-financed resettlement areas (an additional sum of \$300 million for the entire resettlement and irrigation program) that

would bring the total cost of the project to about \$1.2 billion.

The Panel found, in its field review of the project, that the Requesters' concerns were well justified with regard to the design of the project, but that the borrower and implementing agency were moving forward to attempt to meet their concerns.

The Panel faced an important eligibility question in processing this Request, since there had been two different loans approved by the Bank (\$132 million in 1987 and \$100 million in 1990) that were treated in some Bank documentation as one loan. The issue was germane owing to the provision of the Panel Resolution rendering ineligible a Request concerning a loan where more than 95% had been disbursed. In this case, 96% of the combined loans had been disbursed, but only 92% of the second loan had been disbursed, and only the second loan had been cited in the Requesters' submission.

The Panel on June 24, 1997 made its recommendation to the Bank's Executive Directors on whether or not the Request should be investigated. A Board meeting to decide on the matter was originally set for July 22, 1997. This was postponed because an Executive Director requested and the Senior Vice-President and General Counsel has delivered a Legal Opinion on interpretation of the 95% loan disbursement provision. This Opinion will be made public after the Board's decision on the Panel recommendation.

The Board was then scheduled to decide on whether or not to accept the Panel's recommendation in late August 1997.

REQUEST NO. 10: INDIA: NATIONAL THERMAL POWER CORPORATION PROJECT

On May 1, 1997, the Panel received a Request from a group of residents in the Singrauli area of India, where the National Thermal Power Corporation (NTPC) operates and is expanding a number of coal-powered generating facilities. The project involves the construction of ash dykes to dispose of the fly ash from the coal used for operating the plants. Most, but not all, of the land needed for the ash dykes had been acquired before 1993.

The Request claims that people living in the project area have been, and may potentially be, directly, materially and adversely harmed as a result of the Bank's omissions and failures in the preparation and implementation of the project. Their complaint related to Bank compliance with the policies on Economic Evaluation of Investment Operations, Environmental Assessment, Involuntary Resettlement, Indigenous Peoples, Project Supervision, and Participation.

The Requesters complain specifically that they have been and are being compelled to move from their rural locations without any alternative livelihood like jobs or land or adequate housing. In addition, they allege that they did not participate in the design or implementation of the resettlement plans. The Bank-financed project also included provision for remedial action plans for people involuntarily resettled prior to Bank involvement in 1993. The Request also alleges that remedial actions such as the provision or upgrading of basic infrastructure in existing resettlement sites with participation of the affected people has not taken place.

Management's Response, issued on June 3, 1997, recognized certain shortcomings in the

application of Bank policies and procedures ranging from "substantial," to "partial" compliance.

The Panel undertook a review of the two documents and the situation on the ground during June and July. In its field review, the Panel found that the Requesters' concerns appeared to be well justified.

On July 24, 1997, the Panel made its recommendation to the Board on whether or not the Request should be investigated. The Board was scheduled to decide on whether or not to accept the Panel's recommendation in late August 1997.

Consultations on Potential Requests

The Panel received a continuous flow of queries from potential requesters. They related mostly to projects in the Africa, South Asia, East Asia, and the Latin America and Caribbean Regions -- four of the Bank's six Regions.

The issues raised most frequently were on resettlement, environmental protection, indigenous people, and project supervision, as well as matters outside the Panel's mandate, such as procurement issues or projects involving the International Finance Corporation.

The complexity of potential requests varied widely. In most cases, representatives lacked up-to-date project-specific information and were generally unfamiliar with the details of how the Bank operates and the many applicable Bank operational policies and procedures. In some cases, they had found it impossible to obtain information from Bank staff or field offices. The Panel, through its members and Secretariat,

made its best efforts to facilitate access to the required information in line with the Bank's policy on disclosure. Where appropriate, the Panel advised representatives to seek further discussion with relevant Bank Management and staff in the hope that constructive dialogue would resolve questions of alleged damage, thus avoiding the need to resort to a formal Request for Inspection.

The number and variety of community associations and non-governmental organizations aware of and interested in the work of the Panel clearly grew during the last year, following on the expectation of the Board that the Bank should increase its outreach about Panel activities.

Information Activities

The Panel has made very effort to keep its processes open and transparent -- consistent with the public disclosure policy adopted by the Bank's Board in 1993, the special accountability required of an inspection mechanism as established in 1994, and the request for greater outreach by the Panel and the Bank in the Board review of 1996.

Information about the existence, purposes and the procedural steps required for the Panel's involvement in response to Requests is disseminated through many channels. The publication of the Panel's *Operating Procedures* has been a major avenue for such information, along with the issuance of the Panel's first Report on its activities in August 1996. Panel members have made many presentations to non-governmental organizations and public fora to increase awareness of the Panel's existence. The Procedures have been translated into French, Spanish, and Portuguese. The creation of a web page for the Panel at the Bank's home

page has generated a great number of contacts throughout the last three years.

The Panel Register. In an effort to deal transparently with Requests, the Panel has maintained a Register. The Executive Secretary records the dates and all actions taken in connection with the processing of a Request, as well as the dates on which any formal notification is sent or received. This Register is open to the public. Similar information is also disseminated through the Panel's Internet home page to ensure wider disclosure.

Public Disclosure. A notice that a Request has been registered and all other notices or documents issued by the Panel are made available to the public at: (1) the Bank's Public Information Center in Washington, D.C.; (2) the Bank's Resident Mission or Field Office in the country where the project relating to the Request is located or at the relevant regional office; and (3) at the Bank's Paris, London and Tokyo offices.

Documents relating to each Request are made available to the public by the Bank when permitted by the Resolution. Under Paragraph 25 of the Resolution, Requests for Inspection, Panel Recommendations and Board decision are to be made available to the public after the Executive Directors have considered a Panel Recommendation on, and/or the results of, an investigation. During the 1996 review by the Board, the Directors clarified that provision to ensure that Management Responses would also be made available, within three days after action by the Board, along with the documents already cited. The Board also said that Management should make available any legal opinions issued by the Bank Legal Department related to Inspection Panel matters promptly after Board action, unless the Board decides otherwise in a specific case.

World Bank Annual Meetings. The Panel has participated in each Annual Meeting of the World Bank since 1994, using the opportunity to meet with Government officials, private organizations and citizens and numerous NGO representatives. Where the Annual Meeting is held outside the United States, it has been particularly useful to make organizations from that region more aware of the Panel's work, the extent of its mandate, and more conscious of the procedures for requesting an inspection.

Public Inquiries. As stated above, responding to general and specific questions accounts for a significant portion of the Panel's workload. There continues to be a heavy demand for general information about the Panel and its

activities from the press, NGOs and other organizations, academics, Bank staff and others. The unprecedented nature of the Panel in international organizations naturally gives rise to basic curiosity and misunderstandings about the role of the Panel. The availability of the Operating Procedures in several languages responds to the needs of many such public inquiries.

Documents. ANNEX 3 of this Report contains a list of Panel documents issued to date, updating the list published in the 1996 report that covers the first two years of the Panel's work. The list does not include the growing inventory of academic and other commentaries on the creation and operations of the Panel.

LESSONS OF EXPERIENCE

Decisions of the Bank's Executive Directors

In the course of the last year, the Board received reports from the Panel with regard to six Requests, sometimes with multiple reports relating to a single Request, and Recommendations with regard to five Requests. On two of those occasions, the Panel recommended no investigation, and it was accepted. In two other cases, the National Thermal Power Corporation (India) and Itaparica (Brazil), the Board will not consider the Panel's recommendation until after the end of the period covered by this report.

In another instance—the Yacyretá Hydroelectric Project—the Panel recommended an investigation; the Board asked for a review of the existing problems in the project and for an assessment of the adequacy of the action plans presented by Management. They also expressed an opinion that “the Inspection Panel is expected to look at the extent to which the Bank staff had followed Bank procedures with respect to this project.” The latter statement, by its very ambiguity and the absence of provision in the Resolution for this approach, generated an extended exchange of views among members of the Board, so that the decision to approve the minutes of the meeting also included a statement that the Board would meet to clarify what the statement meant. The Board never did meet, given a sharp and fundamental disagreement over how to interpret it. The Panel's view was that Bank procedures, in practice, flow only from Bank policies and therefore it could include in its review of Yacyretá the issue of compliance with both procedures and policies of the Bank. When the Board of the Inter-American Bank wished to

replicate to some extent the Bank's resolution in authorizing its investigation of the Yacyretá, it chose to include only the paragraph on review and assessment, since the statement on compliance with procedures had not been clarified.

Panel Experience

The experience of the Panel has increased substantially during the last year. The variety of projects continues to grow, and the ability of the Panel to carry out its mandate improves as well. That can be attributed, in part, to an emerging awareness on the part of the Board that the Panel is best utilized in a manner that encourages the Bank to take corrective action to problems as early as possible.

Some people have mis-interpreted the role of the Panel as having a negative or accusatory focus in its work. Experience would show, however, that the members have not focused on a “policeman's role” nor would it be an effective function for the Panel in its current configuration. Instead, the members have utilized the advantages of their independent status to determine, first, whether alleged damage to local affected people or the environment has or is likely to occur in connection with Bank-financed projects. This is a fact-finding exercise for which the Panel members were carefully selected. Only when alleged damage is confirmed, and reported to the Board, does the question of any failure to observe Bank policies arise. Management has seen the constructive opportunity offered by this approach in most cases, has been willing to acknowledge possible policy lapses, and

attempted to move on to effective remedial action plans to meet the concerns of the Requesters. It remains to be seen if the implementation of such action plans will be at a consistently higher standard than the supervision of the project that led to the Request in the first place.

The Panel continues to be concerned with the institutional view of "policies and procedures" among Bank staff and Management. The Bank has long been admired for its comprehensive and forthright standards set forth in the operational manuals. Part of its standing as a lead development agency in a world of many donors is based on the standard-setting quality of its policies and procedures. For that reason, they were set to be the benchmark for the work of the Panel. Today, after several years effort of re-formatting those policies and the parallel decentralization of the institution, the Panel hears much disquiet about the possibly diminished significance of those policies. It would be hard to replace the role played by those policies and procedures in the accountability of the Bank, both internally and externally. Any erosion of their central role in Bank operations, whether intentional or not, would have a profound effect on the future functioning of the institution, and of the Panel. It would also diminish the position of the Bank in setting international standards on a host of social and environmental standards, both with regard to other development institutions and to the proliferating private investment flows into developing countries.

There is no doubt that the growth in the work of the Panel has been a byproduct of the growing democratization of the world in the last decade. The expressed dedication of the Bank to increase participation of beneficiaries, along with more open political and social environments in many developing countries, has assisted the growth of civil society -- just the kind of free associations that the Board intended to approach the Panel with their concerns. There continue to be

occasional backlash effects against some groups that request an inspection -- and the Panel is open about expressing its concern when such retribution occurs -- but the overall trend is a gratifying one for the Panel. The Bank's Executive Directors, by supporting a mechanism such as the Panel, are ensuring that the Bank is part of that trend towards--rather than being a barrier to--greater participation of people at the grassroots who are intended to benefit from Bank financing.

Review of Panel Mechanism

After two years of Panel experience, as directed by the Resolution, the Board reviewed the work of the Panel, with a view to taking stock of this unique experiment in improving transparency and accountability, and if necessary to amend the governing Resolutions of the Panel or its procedures. Initiated in the spring of 1996, the bulk of this review was delegated to the Committee on Development Effectiveness by the Board, and several meetings took place during the spring and summer to review some proposals for change and to discuss the lessons of the first two years. The proposals were provided by non-governmental organizations, by the Panel, by Executive Directors, and others. The completion of that review occurred at a meeting of the full Board on October 17, 1996, where a number of issues were settled the Board adopted a "clarification of certain aspects of the resolution." (ANNEX 1)

One major issue not settled and still outstanding is the question of including the International Finance Corporation ("IFC") and the Multilateral Investment Guarantee Authority ("MIGA") within the Panel's mandate. As indicated in the Panel's 1996 Report, the Chile Panguel/Ralco Request had been denied eligibility under the Resolution, and instead had been reviewed through an ad hoc effort launched by the President, with an IFC edited report finally

released in July 1997. The question of how precisely to extend the inspection function to the IFC and MIGA became a subject of many consultations, but the conceptual principle was stated by President Wolfensohn: "We will be applying a uniform set of standards around the [Bank] group." The Board committed itself to concluding that issue at a later date.

Review of Operating Procedures

In the introduction to the Operating Procedures, the Panel indicated that it would review and revise the Operating Procedures as necessary

from experience gained in Panel operations. With each Request reported to the Board, a consistent message was conveyed by the Board that flexibility of approach and adaptation by the Panel in its Procedures was desirable. Consistent with this, the Panel has continuously explored ways to expedite processing and improve the transparency of Requests. In light of three years' experience, as well as the outcome of the 1996 Bank Board review of Panel functions and constructive comments received from the public, the Operating Procedures will be revised in the coming months.

BUDGET

The Resolution provides that the "Panel shall be given such budgetary resources as shall be sufficient to carry out its activities." The Panel's annual funding level has been set at about \$1.5 million for each of the first three years.

The administrative arrangements for the Panel provide for the Chairman to work on a full-time basis supported by a small Secretariat. He calls on the two part-time Panel members on a case-by-case basis as required by the Panel's workload related to Requests, public inquiries and consultations as well as institutional and administrative matters. In practice the Panel has worked by consensus with the two part-time members fully involved in all activities related to Requests, informational, institutional, and administrative matters. The Resolution provides that if the workload reaches a level that would

make it reasonable for the Panel to recommend it, the Board would appoint one or both part-time members on a full-time basis. The Panel has not yet recommended this, even though the workload of the Panel has increased during each year of its existence.

The demand-driven nature of the Panel's work requires a flexible budgetary strategy to ensure that sufficient resources are available to process all Requests received. At the same time, experience has demonstrated that significant cost containment can be achieved by relying on a small and efficient Secretariat to conduct the Panel's affairs. In spite of the growing Request load, the Panel's expenditures have been each year about one-third under budget. Annex 5 contains a breakdown of the Panel's budget and expenditures for FY 1997.

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.

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.

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

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.

REVIEW OF THE RESOLUTION ESTABLISHING THE INSPECTION PANEL CLARIFICATION OF CERTAIN ASPECTS OF THE RESOLUTION

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

ANNEX 2

Operating Procedures as adopted by the Panel on August 19, 1994

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INTRODUCTION

The Inspection Panel (the "Panel") is an independent forum established by the Executive Directors of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") by IBRD Resolution No. 93-10 and the identical IDA Resolution No. 93-6 both adopted by the Executive Directors of the respective institutions on September 22, 1993 (collectively the "Resolution"). The text of the Resolution is in Annex 1. References in these procedures to the "Bank" includes the IBRD and IDA.

The Panel's authority is dictated by the Resolution: within that framework, these Operating Procedures are adopted by the Panel to provide detail to the operational provisions. The text is based on the Resolution and takes into account suggestions from outside sources.

In view of the unprecedented nature of the new inspection function the current procedures are provisional: the Panel will review them within 12 months, and in light of experience and comments received, will revise them if necessary; and will recommend to the Executive Directors ("Executive Directors") amendments to the Resolution that would allow a more effective role for the Panel.

Composition

The Panel consists of three Inspectors. At the outset, one Inspector, the Chairperson, will work on a full-time basis: the other two will work part-time. This arrangement is provisional. The Panel's workload will be dictated by the number and nature of requests received. If necessary, the Panel will recommend alternative arrangements to the Executive Directors.

Purpose

The Panel has been established for the purpose of providing people directly and adversely affected by a Bank-financed project with an independent forum through which they can request the Bank to act in accordance with its own policies and procedures. It follows that this forum is available when adversely affected people believe the Bank itself has failed, or has failed to require others, to comply with its policies and procedures, and only after efforts have been made to ask the Bank Management ("Management") itself to deal with the problem.

Functions

The role of the Panel is to carry out independent investigations. Its function, which will be triggered when it receives a request for inspection, is to inquire and recommend: it will make a preliminary review of a request for inspection and the response of Management, independently assess the information and then recommend to the Board of Executive Directors whether or not the matters complained of should be investigated. If the Board decides that a request shall be investigated, the Panel will collect information and provide its findings, independent assessment and conclusions to the Board. On the basis of the Panel's findings and Management's recommendations, the Executive Directors will consider the actions, if any, to be taken by the Bank.

Participants

During the preliminary review period--up to the time the Panel makes a recommendation to the Board on whether or not the matter should be investigated--the Panel will accept statements or evidence from (a) the Requester, i.e. either the affected people and/or their duly appointed representative, or an Executive Director; (b) Management; and, (c) any other individual or entity invited by the Panel to present information or comments.

During an investigation, any person who is either a party to the investigation or who provides the designated Inspector(s) with satisfactory evidence that he/she has an interest, apart from any interest in common with the public, will be entitled to submit information or evidence relevant to the investigation.

Administration

The Panel has approved separate Administrative Procedures which are available from the Office of The Inspection Panel.

Please note that all heading are for ease of reference only. They do not form part of these procedures and do not constitute an interpretation thereof.

I. SUBJECT MATTER OF REQUESTS

Scope

1. The Panel is authorized to accept requests for inspection ("Request(s)") which claim that an actual or threatened material adverse effect on the affected party's rights or interests arises directly out of an action or omission of the Bank as a result of a failure by the Bank to follow its own operational policies and procedures during the design, appraisal and/or implementation of a Bank financed project. Before submitting a Request steps must have already been taken (or efforts made) to bring the matter to the attention of Management with a result unsatisfactory to the Requester.

Limitations

2. The Panel is not authorized to deal with the following:
- (a) complaints with respect to actions which are the responsibility of other parties, such as the 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/credit agreement, or from losing tenderers for the supply of any such goods and services, which will continue to be addressed by Bank staff under existing procedures;
 - (c) Requests filed after the Closing Date of the loan/credit financing the project with respect to which the Request is filed or when 95% or more of the loan/credit proceeds have been disbursed; or
 - (d) Requests related to a particular matter or matters over which the Panel has already made its recommendation after having received a prior Request, unless justified by new evidence or circumstances not known at the time of the prior Request.

II. PREPARATION OF A REQUEST

3. The Panel's operational proceedings begin when a Request is received. This section of the procedures is primarily designed to give further guidance to potential Requesters on what facts and explanations they should provide.

A. Who Can File a Request

4. The Panel has authority to receive Requests which complain of a violation of the Bank's policies and procedures from the following people or entities:

- (a) any group of two or more people in the country where the Bank financed project is located who believe that as a result of the Bank's violation their rights or interests have been, or are likely to be adversely affected in a direct and material way. They may be an organization, association, society or other grouping of individuals; or
- (b) a duly appointed local representative acting on explicit instructions as the agent of adversely affected people; or
- (c) in exceptional cases, referred to in paragraph 11 below, a foreign representative acting as agent of adversely affected people; or
- (d) an Executive Director of the Bank in special cases of serious alleged violations of the Bank's policies and procedures.

B. Contents of a Request

5. In accordance with the Resolution, Requests should contain the following information:

- (a) a description of the project, stating all the relevant facts including the harm suffered by or threatened to the affected party;
- (b) an explanation of how Bank policies, procedures or contractual documents were seriously violated;
- (c) a description of how the act or omission on the part of the Bank has led or may lead to a violation of the specific provision;
- (d) a description of how the party was, or is likely to be, materially and adversely affected by the Bank's act or omission and what rights or interests of the claimant were directly affected;

(e) a description of the steps taken by the affected party to resolve the violations with Bank staff, and explanation of why the Bank's response was inadequate;

(f) in Requests relating to matters previously submitted to the Panel, a statement specifying what new evidence or changed circumstances justify the Panel revisiting the issue; and

(g) if some of the information cannot be provided, an explanation should be included.

C. Form of Request

Written

6. All Requests must be submitted in writing, dated and signed by the Requester and contain his/her name and contact address.

Format

7. No specific form is necessary: a letter will suffice. A Requester may wish to refer to the guidance and use the model form specifying required information. (Attached as Annex 2)

Language

8. The working language of the Panel is English. Requests submitted directly by affected people themselves may be in their local language if they are unable to obtain a translation. If requests are not in English, the time needed to translate and ensure an accurate and agreed translation may delay acceptance and consideration by the Panel.

Representatives

9. If the Requester is a directly affected person or entity representing affected people, written signed proof that the representative has authority to act on their behalf must be attached.

10. If the Request is submitted by a non-affected representative, he/she must provide evidence of representational authority and the names and contact address of the party must be provided. Proof of representational authority, which shall consist of the original signed copy of the affected party's explicit instructions and authorization, must be attached.

11. In addition, in the cases of non-local representation, the Panel will require clear evidence that there is no adequate or appropriate representation in the country where the project is located.

Documents

12. The following documents should be attached:

- (a) all correspondence with Bank staff;
- (b) notes of meetings with Bank staff;
- (c) a map or diagram, if relevant, showing the location of the affected party or area affected by the project; and
- (d) any other evidence supporting the complaint.

13. If all the information listed cannot be provided an explanation should be included.

D. Delivery of Request

14. Requests must be sent by registered or certified mail or delivered by hand in a sealed envelope against receipt to the Office of The Inspection Panel at 1818 H Street, N.W., Washington, D.C. 20433, U.S.A. or to the Bank's resident representative in the country where the project is located. In the latter case, the resident representative shall, after issuing a receipt to the Requester, forward the Request to the Panel through the next pouch.

E. Advice on Preparation

15. People or entities seeking advice on how to prepare and submit a Request may contact the Office of The Inspection Panel, which will provide information or may meet and discuss the requirements with potential requesters.

III. PROCEDURES ON RECEIPT OF A REQUEST

16. When the Panel receives a Request the Chairperson, on the basis of the information contained in the Request, shall either promptly register the Request, or ask for additional information, or find the Request outside the Panel's mandate.

A. Register

17. If the request, appears to contain sufficient required information the chairperson shall register the Request in the Panel Register; promptly notify the Requester, the Executive Directors and the Bank President ("President") of the registration; and transmit to the President a copy of the Request with the accompanying documentation, if any.

Contents of Notice

18. The notice of registration shall:

- (a) record that the Request is registered and indicate the date of the registration and dispatch of that notice;
- (b) the notice will include the name of the project, the country where the project is located, the name of the Requester unless anonymity is requested, and a brief description of the Request;
- (c) notify the Requester that all communications in connection with the Request will be sent to the address stated in the Request, unless another address is indicated to the Panel Secretariat; and
- (d) request Management to provide the Panel, within 21 days after receipt of the notice and Request, with written evidence that it has complied, or intends to comply with the Bank's relevant policies and procedures. The notice shall specify the due date of the response.

B. Request Additional Information

19. If the chairperson finds the contents of the Request or documentation on representation insufficient, he/she may ask the Requester to supply further information.

20. Upon receipt of a Request, the chairperson shall send a written acknowledgement to the Requester, and will specify what additional information is required.

21. The Chairperson may refuse to register a Request until all necessary information and documentation is filed.

C. Outside Scope

22. If the chairperson finds, that the matter is without doubt manifestly outside the Panel's mandate, he/she will notify the Requesters, of his/her refusal to register the Request and of the reasons therefor; this will include but not be limited to the following types of communications:

- (a) Requests which are clearly outside the Panel's mandate including those listed above at paragraph 2;
- (b) Requests which do not show the steps taken or effort made to
- (c) Requests from an individual or from a non-authorized representative of an affected party;
- (d) any correspondence, including but not limited to letters, memoranda, opinions, submissions or requests on any matter within the Panel's mandate which are not requests for an inspection; and
- (e) Requests that are manifestly frivolous, absurd or anonymous.

Records

23. The number of such Requests and communications received shall be noted in the Register on a quarterly basis and the yearly total included in the Annual Report.

D. Need for Review

24. In cases where additional information is required, or where it is not clear whether a Request is manifestly outside the Panel's mandate, the Chairperson shall designate a Panel member to review the Request.

E. Revised Request

25. If the Requester receives significant new evidence or information at any time after the initial Request was submitted, he/she may consider whether or not it is serious enough to justify the submission of a revised Request.

26. If a revised Request is submitted, the time periods for Management's response and the Panel recommendation will begin again from the time such Request is registered.

IV. MANAGEMENT'S RESPONSE

27. Within 21 days after being notified of a Request, Management shall provide the Panel with evidence that it has complied, or intends to comply with the Bank's relevant policies and procedures. After the Panel receives Management's response, it shall promptly enter the date of receipt in the Panel Register.

28. If there is no response from Management within 21 days, the Panel shall notify the President and the Executive Directors and send a copy to the Requester.

Clarification

29. In order to make an informed recommendation, the Panel may request clarification from Management; in the light of Management's response, request more information from the Requester; and provide relevant portions of Management's response for comment. A time limit for receipt of the information requested shall be specified; and

(a) whether or not such clarification or information is received within the time limit, make its recommendation to the Executive Directors within 21 days after receipt of Management's response; or

(b) in the event it is not possible for the Requester to provide the information quickly, the Panel may advise the Requester to submit an amended Request; the Executive Directors and Bank management will be notified that the process will begin again when the amended Request is received.

V. PANEL RECOMMENDATION

30. Within 21 days after receiving Management's response, the Panel shall make a recommendation to the Executive Directors as to whether the matter should be investigated.

A. Basis

31. The Panel shall prepare its recommendation to the Board on the basis of the information contained in:

- (a) the Request;
- (b) Management's response;
- (c) any further information the Panel may have requested and received from the Requester and/or Management and/or third parties; and

- (d) any findings of the Panel during this stage.

B. Required Criteria

32. If, on the basis of the information contained in the Request, it has not already been established that the Request meets the following three conditions required by the Resolution, the Chairperson, in consultation with the other Panel members may, if necessary, designate a Panel member to conduct a preliminary review to determine whether the Request:

- (a) was filed by an eligible party;
- (b) is not time-barred; and
- (c) relates to a matter falling within the Panel's mandate.

Criteria for Satisfactory Response

33. The Panel may proceed to recommend that there should not be an investigation, if, on the basis of the information contained in the Request and Management's response, the Panel is satisfied that Management has done the following:

- (a) dealt appropriately with the subject matter of the Request; and
- (b) demonstrated clearly that it has followed the required policies and procedures; or
- (c) admitted that it has failed to follow the required policies and procedures but has provided a statement of specific remedial actions and a time-table for implementing them, which will, in the judgment of the Panel, adequately correct the failure and any adverse effects such failure has already caused.

Preliminary Review

34. If, on the basis of the information contained in Management's response and any clarifications provided, the Panel is satisfied that Management has failed to demonstrate that it has followed, or is taking adequate steps to follow the Bank's policies and procedures, the Panel will conduct a preliminary review in order to determine whether conditions required by provisions of the Resolution exist.

35. Although it may not investigate Management's actions in depth at this stage, it will determine whether Management's failure to comply with the Bank's policies and procedures meets the following three conditions:

- (a) whether such failure has had, or threatens to have, a material adverse effect;
- (b) whether, the alleged violation of the Bank's policies and procedures are, in the judgment of the Panel, of a serious character; and
- (c) whether remedial actions proposed by Management do not appear adequate to meet the concerns of the Requester as to the application of the Bank's policies and procedures.

Initial Study

36. If the Chairperson considers, after the preliminary review and consultation with the other Panel members, that more factual data not already provided by the Requester, Management or any other source is required to make an informed recommendation to the Executive Directors, he/she may designate a Panel member to undertake a preliminary study. The study may include, but need not be limited to, a desk study and/or a visit to the project site.

C. Contents

37. On the basis of the review, the Panel shall make its recommendation to the Board as to whether the matter should be investigated. Every recommendation shall include a clear explanation setting forth reasons for the recommendation and be accompanied by:

- (a) the text of the Request and, where applicable, any other relevant information provided by the Requester;
- (b) the text of Management's response and, where applicable, any clarifications provided;
- (c) the text of any advice received from the Bank's Legal Department;
- (d) any other relevant documents or information received; and
- (e) statements of the majority and minority views in the absence of a consensus by the Panel.

D. Submission

38. The recommendation shall be circulated by the Executive Secretary of the Panel to the Executive Directors for decision. The Panel will notify the Requester that a recommendation has been sent to the Executive Directors.

VI. BOARD DECISION AND PUBLIC RELEASE

39. The Board decides whether or not to accept or reject the Panel's recommendation; and, if the Requester is a non-local representative, whether exceptional circumstances exist and suitable local representation is not available.

Notification

40. The Panel shall promptly inform the Requester of the Board's decision on whether or not to investigate the Request and, shall send the Requester a copy of the Panel's recommendation.

Public Information

41. After the Executive Directors have considered a Request the Bank shall make such Request publicly available together with the Panel's recommendation on whether to proceed with the inspection and the decision of the Executive Directors in this respect.

VII. AN INVESTIGATION

A. Initial Procedures

42. When a decision to investigate a Request is made by the Board, or the Board itself requests an investigation, the Chairperson shall promptly:

- (a) designate one or more of the Panel's members (Inspector(s)) to take primary responsibility for the investigation;
- (b) arrange for the Panel members to consult, taking into account the nature of the particular Request, on:
 - (i) the methods of investigation that at the outset appear the most appropriate;
 - (ii) an initial schedule for the conduct of the investigation;
 - (iii) when the Inspector(s) shall report his/her (their) findings to the Panel, including any interim findings; and
 - (iv) any additional procedures for the conduct of the investigation.

43. The designated Inspector(s) shall, as needed, arrange for a meeting with the Requester and schedule discussions with directly affected people.

44. The name of the Inspector(s) and an initial work plan shall be made public as soon as possible.

B. Methods of Investigation

45. The Panel may, taking into account the nature of the particular Request, use a variety of investigatory methods, including but not limited to:

- (a) meetings with the Requester, affected people, Bank staff, government officials and project authorities of the country where the project is located, representatives of local and international non-governmental organizations;
- (b) holding public hearings in the project area;
- (c) visiting project sites;
- (d) requesting written or oral submissions on specific issues from the Requester, affected people, independent experts, government or project officials, Bank staff, or local or international non-governmental organizations;
- (e) hiring independent consultants to research specific issues relating to a Request;
- (f) researching Bank files; and
- (g) any other reasonable methods the Inspector(s) consider appropriate to the specific investigation.

Consent Required

46. In accordance with the Resolution, physical inspection in the country where the project is located will be carried out with prior consent. The Chairperson shall request the Executive Director representing such country to provide written consent.

C. Participation of Requester

47. During the course of the investigation, in addition to any information requested by the Inspector(s), the Requester (and affected people if the Requester is a non-affected Representative or an Executive Director) or Bank staff may provide the Inspector(s) either directly or through the Executive Secretary with supplemental information that they believe is relevant to evaluating the Request.

48. The Inspector(s) may notify the Requester of any new material facts provided by Bank staff or by the Executive Director for, or authorities in the country where the project is located.

49.To facilitate understanding of specific points, the Panel may discuss its preliminary findings of fact with the Requester.

D. Participation of Third Parties

50.During the course of the investigation, in addition to any information requested by the Inspector(s), any member of the public may provide the Inspector(s), either directly or through the Executive Secretary, with supplemental information that they believe is relevant to evaluating the Request.

51.Information should not exceed ten pages and include a one-page summary. Supporting documentation may be listed and attached. The Inspector(s) may request more details if necessary.

VIII. PANEL REPORT

Contents

52.The report of the Panel (the "Report") shall include the following:

- (a) a summary discussion of the relevant facts and of the steps taken to conduct the investigation;
- (b) a conclusion showing the Panel's findings on whether the Bank has complied with relevant Bank policies and procedures;
- (c) a list of supporting documents which will be available on request from the Office of The Inspection Panel; and
- (d) statements of the majority and minority views in the absence of a consensus by the Panel.

Submission

53.Upon completion of the Report, the Panel shall submit it to:

- (a) the Executive Directors: accompanied by notification that the Report is being submitted to the President on the same date; and
- (b) the President: accompanied by a notice against receipt that within 6 weeks of receipt of the Report, Management must submit to the Executive Directors for their consideration a report indicating Management's recommendations in response to the Panel's findings.

IX. MANAGEMENT'S RECOMMENDATIONS

54. Within 6 weeks after receiving the Panel's findings, Management will submit to the Executive Directors for their consideration a report indicating its recommendations in response to the Panel's findings. Upon receipt of a copy of the report, the Panel will notify the Requester.

X. BOARD DECISION AND PUBLIC RELEASE

55. Within 2 weeks after the Executive Directors consider the Panel's Report and the Management's response, the Bank shall inform the Requester of the results of the investigation and the action decided by the Board, if any.

56. After the Bank has informed the Requester, the Bank shall make publicly available:

- (a) the Panel's Report;
- (b) Management's recommendations; and
- (c) the Board's decision.

These documents will also be available at the Office of The Inspection Panel.

57. The Panel will seek to enhance public awareness of the results of investigations through all available information sources.

XI GENERAL

Business Days

58. "Days" under these procedures means days on which the Bank is open for business in Washington, D.C.

Copies

59. Consideration of Requests and other documents submitted throughout the process will be expedited if an original and two copies are filed. When any document contains extensive supporting documentation the Panel may ask for additional copies.

Consultations

60. The borrower and the Executive Director representing the borrowing (or guaranteeing) country shall be consulted on the subject matter before the Panel's recommendation and during an investigation.

Access to Bank Staff and Information

61. Pursuant to the Resolution and in discharge of their functions, the members of the Panel shall have access to all Bank 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.

Legal Advice

62. The Panel shall seek, through the Vice President and General Counsel of the Bank, the written advice of the Bank's Legal Department on matters related to the Bank's rights and obligations with respect to the Request under consideration. Any such advice will be included as an attachment to the Panel's recommendation and/or Report to the Executive Directors.

Confidentiality

63. Documents, or portions of documents of a confidential nature will not be released by the Panel without the express written consent of the party concerned.

Information to Requester and Public

64. The Executive Secretary shall record in the Register all actions taken in connection with the processing of the Request, the dates thereof, and the dates on which any document or notification under these procedures is received in or sent from the Office of The Inspection Panel. The Requester shall be informed promptly. The Register will be publicly available.

65. A notice that a Request has been registered and all other notices or documents issued by the Panel will be available to the public through the Bank's PIC in Washington, D.C.; at the Bank's Resident Mission in the country where the project is located or at the relevant regional office; at the Bank's Paris, London and Tokyo offices; or on request from the Executive Secretary of the Panel.

ANNEX 1

September 22, 1993

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND
DEVELOPMENT**

**INTERNATIONAL DEVELOPMENT
ASSOCIATION**

Resolution No. 93-10
Resolution No. IDA 93-6

"The World Bank Inspection Panel"

INCLUDED AS ANNEX 1 TO THIS REPORT

**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 much other information as you think necessary as separate documents. Please note and identify attachments in your summary.

You may wish to use the attached model form.

**MODEL FORM:
REQUEST FOR INSPECTION**

TO: THE INSPECTION PANEL: 1818 H St., N.W., Washington, D.C. 20433, U.S.A.

We, _____, and _____, and other persons whose names and addresses are attached live/represent others, living in the area known as: _____ [and shown in the attached map or diagram] claim the following:

1. The Bank is financing the design/appraisal and/or implementation of a project [name and brief description]

2. We understand that the Bank has the following policy(ies) and/or procedures [list or describe]:

3. Our rights/interests are [describe]:

4. The Bank has violated its own policies/procedures in this way:

5. We believe our rights/interests have been, are likely to be adversely affected as a direct result of the Bank's violation. This is, or is likely to cause us to suffer [describe harm]:

6. We believe the action/omission is the responsibility of the Bank.

7. We have complained/made an effort to complain to Bank staff by [describe]:

Please attach evidence or explanation.

8. We received no response; or
We believe that the response(s) (attached/not attached) is unsatisfactory because:[describe why]:

9. In addition we have taken the following steps to resolve our problem:

We therefore believe that the above actions/omissions which are contrary to the above policies or procedures have materially and adversely affected our rights/interests and request the Panel to recommend to the Bank's Executive Directors that an investigation of these matters be carried out in order to resolve the problem.

As advised in your Operating Procedures, this Request for Inspection is brief. We can provide you with more particulars.

DATE: _____
SIGNATURES: _____
CONTACT ADDRESS: _____

Attachments: [Yes][No]
We authorize you to make this
Request public [Yes][No]

Inspection Panel Documents

All documents are available from the World Bank Public Information Centers. The list was taken from the Inspection Panel internet home page which the Panel updates constantly. The list does not include academic and other commentaries on the creation and operations of the Panel.

General

Inspection Panel Operating Procedures (August 1994) (English, French, Spanish, Portuguese)

Inspection Panel Overview (Rev. June 1997) (English, French, Spanish, Portuguese)

Biographical Summaries of Panel Members

Information Releases:

New Independent Inspection Panel Office Opens (September, 1994)

Decision of the Executive Directors of IBRD & IDA on Panel's mandate over Procurement Matters (April 1995)

Election of the Chairperson (August 1995)

Election of the Chairperson (July 1996)

Election of the Chairperson (July 1997)

Appointment of New Panel Member (August 1997)

Request for Inspection #1

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection - Nepal: Arun III Hydroelectric Project - Notification of Registration," (November 3, 1994).

Request for Inspection - Nepal: Arun III Hydroelectric Project - Notice of Registration.

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Panel Report - Nepal: Arun III Hydroelectric Project (Credit 2029-NEP)," (December 16, 1994).

The Inspection Panel: "Note for the Executive Directors in Response to a Question from an Executive Director on the Request for Inspection: Nepal - Proposed Arun III Hydroelectric Project and Restructuring of the May 1989 IDA Credit-2029 (Nepal - Arun III Access Road)", (January 9, 1995).

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection - Nepal: Arun III Hydroelectric Project," (January 20, 1995).

Board of Executive Directors of the International Development Association ("IDA"): Decision authorizing an inspection of the Proposed Arun III Hydroelectric Project, (February 2, 1995.) (Text in the World Bank Information Release of February 2, 1995.)

The Inspection Panel: Memorandum to the Executive Directors re: "Nepal: Proposed Arun III Hydroelectric Project - Initial Work Plan for Investigation," (February 15, 1995.)

The Inspection Panel: Note to the Executive Directors re: "Request for Inspection Nepal: Proposed Arun III Hydroelectric Project - Note on Investigation by the Inspection Panel," (April 3, 1995).

The Inspection Panel: Note to the Executive Directors re: "Nepal: Arun III Proposed Hydroelectric Project and Restructuring of IDA Credit-2029 - Note on Investigation by the Inspection Panel," dated May 31, 1995.

The Inspection Panel: Memorandum to the Executive Directors re: "The Inspection Panel Investigation Report - Nepal: Arun III Proposed Hydroelectric Project and Restructuring of IDA Credit-2029-NEP," (June 22, 1995).

Arun III Hydroelectric Project: President's Memorandum to the Executive Directors on: "Management Response to the Inspection Panel's Investigation Report of June 21, 1995," (August 2, 1995).

Information Releases:

First Request for Inspection - NEPAL: ARUN III (November 4, 1994)

NEPAL: Arun III Hydroelectric Project - Response from Bank Management (November 23, 1994)

Inspection of Arun III Hydroelectric Project Authorized (February 3, 1995)

Proposed Arun III Hydroelectric Project - Inspection Panel Investigation Report (June 23, 1995)

Request for Inspection #2

The Inspection Panel: Note to the Executive Directors re: "Request for Inspection: Compensation for Expropriation and Extension of IDA Credits to Ethiopia," (April 4, 1995).

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Compensation for Expropriation and Extension of IDA Credits to Ethiopia," (May 19, 1995).

Request for Inspection #3

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Tanzania: Power VI Project (Cr. 2489-TA) - Notification of Registration" (June 16, 1995.)

Request for Inspection - Tanzania: Power VI Project (Cr. 2489-TA) - Notice of Registration.

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Tanzania: Power VI Project (Cr. 2489TA) - Panel Recommendation," (August 15, 1995).

Memorandum from the Vice President and Secretary re: "Inspection Panel - Request for Inspection - Tanzania: Power VI Project (Cr. 2489TA) - Panel Recommendation," (August 18, 1995).

Information Releases:

- TANZANIA: Power VI Project (June 20, 1995)
- TANZANIA: Power VI Project (July 25, 1995)
- TANZANIA: Power VI Project (August 25, 1995)
- TANZANIA: Power VI Project (September 26, 1995)

Request for Inspection #4

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Brazil - Rondônia Natural Resources Management Project (Loan 3444-BR) - Notification of Registration," (June 19, 1995.)

Request for Inspection - Brazil - Rondônia Natural Resources Management Project (Loan 3444-BR) - Notice of Registration.

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Brazil - Rondônia Natural Resources Management Project (Loan 3444-BR) - Panel Recommendation," (August 17, 1995)

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Brazil - Rondônia Natural Resources Management Project (Loan 3444-BR) - Report on Additional Review," (December 12, 1995).

Status Report submitted to the submitted to "BRAZIL: Rondônia Natural Resources Management Project (Ln. 3444-BR) Status Report," (December 20, 1995).

Submitted to the submitted to "BRAZIL: Rondônia Natural Resources Management Project (PLANAFLORO Project) (Ln. 3444-BR) Additional Information," (March 27, 1996).

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Brazil - Rondônia Natural Resources Management Project -(Ln. 3444-BR) Report on Review of Progress in Implementation," (March 25, 1997).

Information Releases:

BRAZIL: Rondônia Natural Resources Management Project (June 20, 1995)
BRAZIL: Rondônia Natural Resources Management Project (July 25, 1995)
BRAZIL: Rondônia Natural Resources Management Project (August 25, 1995)
BRAZIL: Rondônia Natural Resources Management Project (January 23, 1996)
BRAZIL: Rondônia Natural Resources Management Project (January 25, 1996)
Inspection Panel Finds Mixed Results in Brazilian Amazon Project (April 10, 1997).

Request for Inspection #5

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Alleged Policy Violations by IFC in the Financing of Hydroelectric Dams in the Biobío River in Chile," (December 1, 1995).

Information Releases:

CHILE: Alleged Policy Violations by IFC in the Financing of Hydroelectric Dams in the Biobío River (January 23, 1996)

Request for Inspection #6

The Inspection Panel: Memorandum to the Executive Directors re: "Request for Inspection: Bangladesh: Jamuna Bridge Project (Credit 2569-BD)," (August 26, 1996).

Request for Inspection - Bangladesh: Jamuna Bridge Project (Credit 2569-BD) - Notice of Registration.

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Bangladesh: Jamuna Bridge Project (Credit 2569-BD) - Extension of Initial Review Period," (October 10, 1996).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Bangladesh: Jamuna Bridge Project (Credit 2569-BD) - Panel Report and Recommendation," (November 26, 1996).

Information Releases:

Inspection Panel Receives Request to Investigate Jamuna Bridge Project - Bangladesh (August 27, 1996).
Request for Inspection: Jamuna Bridge Project (Credit 2569-BD) Management Response (September 24, 1996).
Request for Inspection: Jamuna Bridge Project (Credit 2569-BD) - Panel Report and Recommendation (November 26, 1996).
World Bank Accepts Inspection Panel Recommendation on Jamuna Bridge Project (April 8, 1997).

Request for Inspection #7

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Argentina/Paraguay: Yacyretá Hydroelectric Project - Notification of Registration," (October 1, 1996).

Request for Inspection - Argentina/Paraguay: Yacyretá Hydroelectric Project - Notice of Registration.

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Argentina/Paraguay: Yacyretá Hydroelectric Project - Note on the Investigation by the Inspection Panel" (December 9, 1996).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Argentina/Paraguay: Yacyretá Hydroelectric Project - Panel Report and Recommendation," (December 24, 1996).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Argentina/Paraguay: Yacyretá Hydroelectric Project" (February 13, 1997).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Argentina/Paraguay: Yacyretá Hydroelectric Project" (February 28, 1997).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Argentina/Paraguay: Yacyretá Hydroelectric Project" (June 12, 1997).

Information Releases:

Inspection Panel Receives Request to Investigate the Argentina/Paraguay: Yacyretá Hydroelectric Project (October 1, 1996).

Inspection Panel Receives Request to Investigate the Argentina/Paraguay: Yacyretá Hydroelectric Project - Management Response (November 6, 1996).

Inspection Panel Receives Request to Investigate the Argentina/Paraguay: Yacyretá Hydroelectric Project - Panel Report & Recommendation (December 24, 1996).

Yacyretá Dam Review (February 28, 1997).

Request for Inspection #8

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Bangladesh: Jute Sector Adjustment Credit 2567-BD - Notification of Registration," (November 25, 1996).

Request for Inspection: Bangladesh: Jute Sector Adjustment Credit 2567-BD - Notice of Registration.

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Bangladesh: Jute Sector Adjustment Credit 2567-BD - Initial Review Period," (January 23, 1997).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Bangladesh: Jute Sector Adjustment Credit 2567-BD - Extension Initial Review Period," (February 12, 1997).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Bangladesh: Jute Sector Adjustment Credit 2567-BD - Panel Report and Recommendation," (March 14, 1997).

Information Releases:

Inspection Panel Receives Request to Investigate Bangladesh: Jute Sector Adjustment Credit 2567-BD (November 25, 1996).

Inspection Panel Receives Request to Investigate Bangladesh: Jute Sector Adjustment Credit 2567-BD - Management Response (December 27, 1996).

Inspection Panel Receives Request to Investigate Bangladesh: Jute Sector Adjustment Credit 2567-BD - Panel Report and Recommendation (March 18, 1997).

World Bank Accepts Inspection Panel Recommendation on Bangladesh Jute Sector Reform Project (April 18, 1997).

Request for Inspection #9

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Itaparica Resettlement and Irrigation Project in Brazil - Notification of Registration," (March 19, 1997).

Request for Inspection: Itaparica Resettlement and Irrigation Project in Brazil - Notification of Registration.

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Itaparica Resettlement and Irrigation Project in Brazil - Initial Review Period," (May 28, 1997).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: Itaparica Resettlement and Irrigation Project in Brazil - Panel Report and Recommendation," (June 24, 1997).

Information Releases:

Inspection Panel Receives Request to Investigate the Itaparica Resettlement and Irrigation Project (March 19, 1997).

Request for Inspection #10

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: India: NTPC Power Generation Project (Loan 3632) - Notification of Registration," (May 2, 1997).

Request for Inspection: India: NTPC Power Generation Project (Loan 3632) - Notice of Registration

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: India: NTPC Power Generation Project (Loan 3632)," (July 2, 1997).

The Inspection Panel: Memorandum to the Executive Directors and Alternates re: "Request for Inspection: India: NTPC Power Generation Project (Loan 3632) - Panel Report and Recommendation," (July 24, 1997).

Information Releases:

Inspection Panel Receives Request to Investigate the NTPC Power Generation Project (Loan 3632) in India (May 7, 1997).

*The Inspection Panel Expenses
July 1, 1996 to June 30, 1997*

Fees - Panel Members	222.7
Salaries*	379.6
Temporaries	35.3
Consultants Short-term	17.5
Overtime	
Travel - Members/Staff	84.7
Benefits*	265.7
Equipment	16.1
Other Costs	27.6
Office Occupancy	52.6
Total Expenses	1,101.8
Original Budget	1,636.7

* Includes the Chairman's
salary



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