

Inspection Panel

Bolivia: Santa Cruz Road Corridor Connector Project (San Ignacio - San Jose) (P152281)

Investigation Plan (May 16, 2023)

I. Introduction

1. On December 19, 2022, the Inspection Panel (the “Panel”) received a Request for Inspection (the “Request”) concerning the Bolivia: Santa Cruz Road Corridor Connector Project (San Ignacio - San José) (P152281) (the “Project”) from four Requesters who state they are the leaders of four “Centrales Chiquitanos” (organizations of Chiquitano indigenous people) in the Chiquitania region in the lowlands of eastern Bolivia (the “Requesters”). They authorized two local civil society organizations to represent them and also authorized the Bank Information Center (BIC) – a US-based, nongovernmental organization (NGO) – to provide them with support and advice during the Panel process. The Requesters and their representatives asked the Panel to keep their identities confidential.

2. The Project aims to improve transport accessibility along the road corridor between San Ignacio de Velasco and San José de Chiquitos. It includes the upgrading of an existing 208-kilometer-long road connecting the two towns in the Department of Santa Cruz.

3. The Requesters claim Project activities threaten their land and livelihoods, as the road creates opportunities for illegal activities and for settlers to move into their area. The Requesters allege that the road upgrade has resulted in increasing rates of illegal occupation and is presenting a risk to indigenous land titling efforts underway or planned. They claim the road exacerbates activities such as agribusiness expansion and deforestation; this in turn raises the rates of wildfires, which threaten their land and livelihoods. The Requesters allege that the original Indigenous People’s Plan (IPP) neither mitigated adverse impacts nor granted them access to Project benefits. According to the Requesters, they have been discussing these issues with the Bank team and the implementing agency since 2018, but it took three years of engagement for their inputs to be included in the updated IPP agreed in December 2021. While the Requesters consider this updated IPP “*relatively strong*” and “*much improved*” compared to the original IPP, they complain about its remaining shortcomings and its ineffective implementation. They allege that although road construction started in 2019, most of the measures intended to avoid, minimize, mitigate, or compensate for adverse impacts and provide social and economic benefits to the indigenous peoples have yet to be implemented four years later. They believe the Bank Policy on Indigenous Peoples is being “*violated*.” They allege the Project has lacked meaningful consultation. They also claim Project workers have engaged in sexual exploitation, abuse, and harassment (SEA/H), including that of indigenous girls. They say the Project contractor’s hiring conditions do not guarantee the labor rights of the Chiquitanos working at Project sites.

4. The Panel registered the Request on January 13, 2023, and Management submitted its Response to the Request on February 15, 2023. After a visit to Bolivia during March 4-12, 2023, the Panel submitted its Report and Recommendation on March 17, 2023, recommending an

investigation to the Board of Executive Directors (the “Board”). The Board approved the Panel’s recommendation on March 31, 2023.

II. The Panel’s Recommendation to Investigate and the Parties’ Decision Not to Engage in Dispute Resolution

5. In its Report and Recommendation, the Panel observed in some of the villages visited what appeared to be unmitigated impacts on water, road safety, and areas used for the extraction of road materials. The Panel noted Requesters’ concerns about land-take in relation to the right-of-way, their poor understanding of how that relates to valuation and compensation, and that some project-affected persons (PAPs) claim their land was acquired by the Project prior to receiving compensation. Additionally, the Panel heard numerous complaints that insufficient knowledge and information-sharing prevented the PAPs from meaningfully articulating more detailed concerns and priorities for the IPP, that implementation was slow-moving, and that the measures committed to in the IPP were insufficient to achieve its objectives. The Panel was told of SEA/H cases of workers allegedly involved with girls younger than 18. The Panel also heard about adult women in several communities engaging in transactional sex with workers and about the significant vulnerability of some of these women. The Panel noted the concerns raised around labor and working conditions and acknowledged the upcoming labor and Occupational Health and Safety audit that will be conducted by the Project.

6. The Panel noted in its Report and Recommendation that there were conflicting assertions by the Requesters and Management, and that it was not possible to assess whether Management has dealt appropriately with the issues raised or sufficiently demonstrated it has followed Bank policies and procedures. Hence, the Panel recommended an investigation on March 31, 2023, and the Board approved the Panel’s recommendation to investigate.

7. As per the Inspection Panel and Accountability Mechanism Resolutions, following the Panel’s recommendation to investigate, the Accountability Mechanism Secretary (AMS) offered the opportunity for dispute resolution to the Requesters and Borrower. On May 12, 2023, the AMS informed the Board, the Panel, and Bank Management that there was no agreement from both Parties to enter dispute resolution. In accordance with the Inspection Panel and Accountability Mechanism Resolutions, the Panel commences its Investigation.

III. Scope of the Investigation: Issues of Alleged Harm, Alleged Potential Harm, and Compliance

8. This document presents the Inspection Panel’s Investigation Plan, which includes the key questions and issues to be addressed during the Investigation, and a brief description of the investigation methodology. This Plan is publicly available on the Panel’s website, and is a living document that will be adjusted as needed.

A. Chiquitano Land, Livelihood, and Identity

- a. Was the Project’s area of influence adequately determined in relation to its impact on the Chiquitano communities, their land, and livelihoods?
- b. Is the Project’s environmental categorization appropriate?

- c. Did the Project adequately identify and assess environmental and social impacts related to direct (e.g., water sources, road safety, extraction of material, etc.), indirect, and induced impacts on the Chiquitano communities, their land, livelihoods, and identity? Did the Project identify adequate mitigation measures? Were mitigation measures implemented in a timely and acceptable manner?
- d. Does the Project cause or contribute to in-migration, agricultural expansion, and/or in any way affect land titling processes? If so, to what degree and how did the Project assess these impacts and mitigate them accordingly?
- e. Was the Project's consultation process during the ESIA stage meaningful?

B. Indigenous Peoples Plan

- a. Did the Project sufficiently identify and gather baseline information on the demographic, social, cultural, and political characteristics of the Chiquitano communities, the land and territories they have traditionally owned or customarily used or occupied, and the natural resources on which they depend?
- b. Does the Project's Indigenous Peoples Plan (IPP) reflect the Social Assessment? Did the IPP include information on: an action plan of measures to ensure that Chiquitanos receive social and economic benefits that are culturally appropriate; measures to avoid, minimize, mitigate, or compensate for potential, adverse effects on the Chiquitanos; financial plans for the IPP; grievance redress, and monitoring and evaluation of IPP implementation?
- c. Did the original and updated IPPs adequately identify Project risks and impacts on the affected Chiquitano indigenous groups, and include sufficient mitigation measures?
- d. Did the process for updating the IPP include the requirement for free, prior, and informed consultation as per the requirements under the Bank's Indigenous Peoples Policy OP/BP 4.10?
- e. Were the original and updated IPPs implemented in a timely manner?

C. Land-Take and Resettlement

- a. Did the Project adequately identify and minimize the extent of land-take and resettlement (e.g., the right-of-way)?
- b. Is the Project's Resettlement Action Plan (RAP) in line with Bank policy? Was the valuation conducted properly? Were the compensation amounts adequate?
- c. Were the PAPs consulted meaningfully, and offered an opportunity to participate in the RAP preparation?
- d. Did the contractor wait for the compensation process to be completed before it started working at the resettlement locations?

D. Sexual Exploitation, Abuse, and Harassment (SEA/H) and Gender-Based Violence (GBV)

- a. Did the Project adequately assess the country and regional SEA/H and GBV context and the risks posed by Project implementation on women and girls, particularly those in indigenous communities?
- b. Did the Project put in place an adequate SEA/H and GBV prevention, mitigation, reporting, and response system, including training, awareness-raising, a Code of

- Conduct for workers on SEA/H issues, and a SEA/H-adequate grievance redress mechanism?
- c. Were SEA/H and GBV measures implemented adequately?
 - d. Were the measures developed in the retrofitted GBV components (2019) and GBV Action Plan (2022) adequate and survivor-centric?
 - e. Was the Bank's response to reported cases of SEA/H or GBV adequate?

E. Labor Issues

- a. How did the Project assess labor policies and procedures, and respond to labor issues raised by local workers, such as delays in salary and overtime payments; grievances related to benefits such as accidental and medical insurance, and severance pay; back-to-back, short-term contracts, and issues with the timely delivery and supply of personal protective equipment?

F. Bank Supervision

- a. Was Bank supervision of the Project adequate (e.g., the quality and frequency of supervision) and in accordance with Bank policies?
- b. Did the Bank ensure that a proper monitoring and reporting system was in place?

IV. Methodology of Fact-Finding

9. For the purposes of this Investigation, the Panel will enlist the assistance of three expert consultants.
 - A social expert specialized in indigenous peoples, land rights, and the management of Project impact on local indigenous communities.
 - A SEA/H GBV expert adviser with experience in SEA/H and GBV investigative work.
 - A SEA/H and GBV expert with extensive field experience who will support the Panel in the field.
10. The Investigation will proceed in three phases:
 - (i) Investigation preparation and identification of expert consultants,
 - (ii) Review of documentation, staff interviews, and a field visit, and
 - (iii) Report drafting and finalization.
11. The Investigation team will consult with the Requesters, other community members, Bank staff, the implementing agency, relevant ministries, development partners, and other relevant stakeholders.
12. The Panel aims to conclude its Investigation approximately six months after this Plan is disclosed. The Panel's Investigation Report and the Management Response and Recommendation (including the Management Action Plan) addressing the Panel's findings will be publicly available after the Board meets to consider the Panel's findings and to discuss and approve the Management Action Plan.