

# THE INSPECTION PANEL ANNUAL REPORT

JULY 1, 2016–JUNE 30, 2017





## FOREWORD BY THE PRESIDENT OF THE WORLD BANK GROUP

**F**or nearly a quarter century, the work of the Inspection Panel has reflected the World Bank's commitment to meeting the highest standards of development effectiveness, transparency, and accountability.

Community participation and partnership are essential ingredients for sustainable development. The Bank and the Panel play a critical role in listening to communities and addressing concerns when projects cause unintended harm. As our Independent Accountability Mechanism, the Panel is vital to the success of the World Bank and our country partners through its compliance investigations and its contributions to institutional learning.

The investigation this year into the Uganda Transport Sector Development Project underscored the Panel's importance. The project contained multiple failures. Because of the seriousness of the allegations, especially those concerning sexual misconduct by road workers hired by the government's contractor, we took the unusual step of canceling it in December 2015.

In response, we launched a Global Gender-Based Violence Task Force to provide advice on best practices to reduce risks to community safety in connection with these types of projects. The task force made its recommendations in July 2017, and we are moving swiftly to implement them.

Make no mistake: We have zero tolerance for any kind of abuse. The Bank has comprehensively bolstered our internal systems for risk management, and we will continue to strengthen our work. As I have promised in the past, when we discover flaws in our implementation, oversight, or monitoring, we will do everything in our power to respond immediately and prevent it from happening again.

For more than two decades, the Inspection Panel has helped the World Bank ensure that our safeguards protect the people we serve, especially the poor and most vulnerable, and the environment everywhere we operate. I want to thank the Panel for its work as an Independent Accountability Mechanism that we rely on to learn from our mistakes and constantly improve our operations all over the world. Responding quickly and comprehensively to the concerns of people and communities affected by Bank projects makes us a better institution and brings us closer to our goals of ending extreme poverty and promoting shared prosperity.

**Jim Yong Kim**  
*President, The World Bank Group*  
*Washington, DC*

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## MESSAGE FROM THE PANEL

This year has been another effective one, demonstrating the varied ways in which the Panel's work can bring development issues to the surface and give voice to communities that may be harmed by the unintended consequences of World Bank projects.

In addition to remedial management actions taken in response to the findings of our investigations, there have also been positive results generated through registered cases even when not investigated, and important contributions to institutional learning from the Panel's Emerging Lessons Series. Through these actions, the Panel again played a central role in promoting accountability and transparency in support of the Bank's twin goals of reducing extreme poverty and fostering shared prosperity.

The Panel's complex investigation into the Transport Sector Development Project in Uganda led both to important policy changes at the Bank and redress at the community level. Its investigation in Kosovo provided vital lessons for the Bank when performing an advisory role in countries facing multifaceted challenges. Meanwhile, the mediation agreement that followed the Panel's investigation of the Kenya Electricity Expansion Project resulted in additional Bank actions to alleviate harms suffered by affected residents.

The past year also showed that the Panel's casework can lead to beneficial impacts in alternative ways, as evidenced by the outcomes of Requests for Inspection of the Irrigation System Enhancement Project in Armenia and the Mining Infrastructure Investment Support Project affecting Mongolia and Russia. Although neither of those Requests resulted in investigations or compliance findings, the registration of the cases and subsequent adjustments to the projects by Bank management and borrowers in order to address complainants' concerns led to favorable results for communities and residents.

In its role of increasing the knowledge base at the World Bank, the Panel this year released two more reports in its Emerging Lessons Series—on indigenous peoples and environmental assessment. The series, which draws on the Panel's nearly 25-year caseload, is intended to improve project outcomes and contribute to more effective development, and the response to the reports both inside and outside the Bank has been positive.

The Panel expresses its thanks to the Board of Executive Directors for its unwavering support of its work. We also thank the President of the World Bank Group, Dr. Jim Yong Kim, and senior management and staff for their continued and constructive engagement with the Panel. We truly appreciate the trust that Requesters place in the Panel, and we are grateful to civil society and other stakeholders for their partnership and efforts to promote transparency and accountability. Finally, we want to thank the staff of the Secretariat for their demonstrated dedication and professionalism, and we look forward to working again with all stakeholders in the coming year to provide an avenue of recourse to communities adversely affected by Bank projects.

**Gonzalo Castro de la Mata, Chairman**  
**Zeinab Bashir Elbakri**  
**Jan Mattsson**



**Inspection Panel members (from left to right): Gonzalo Castro de la Mata (chairman), Zeinab Bashir Elbakri and Jan Mattsson.**

#### **THANKS TO ZEINAB ELBAKRI**

There is a changing of the guard as fiscal year 2017 ends. Zeinab Elbakri is nearing the completion of her term as a member of the Panel. Zeinab has brought great expertise and professionalism to the Panel's work. We, her fellow Panel members and Secretariat staff, thank Zeinab for the kindness, humor and humanity she exhibited as a trusted and respected colleague, and we wish her the very best in her new endeavors.



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## PANEL DESCRIPTION

### WHAT IS THE INSPECTION PANEL?

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

The Panel is an impartial fact-finding body, independent from the World Bank management and staff, reporting directly to the Board. Its process aims to promote accountability at the World Bank, give affected people a greater voice in activities supported by the World Bank that affect their rights and interests, and foster redress when warranted.

### HOW DOES THE INSPECTION PANEL WORK?

In response to complaints from project-affected people, the Panel has a mandate to review projects funded by the World Bank through the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA). The Panel assesses allegations of harm to people or the environment and reviews whether the Bank followed its operational policies and procedures.

This often includes issues such as:

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

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

The Panel has produced two videos explaining its mandate and procedures to potentially affected communities and their representatives. Both can be found on the Panel website.



## HOW IS THE INSPECTION PANEL STRUCTURED?

The Inspection Panel consists of three members appointed by the Board for a five-year non-renewable term. Members are selected on the basis of their ability to deal thoroughly and fairly with the complaints brought to them, their integrity and independence from Bank management, and their exposure to development issues and living conditions in developing countries.

In fiscal year 2017, Panel members were Zeinab Bashir Elbakri (member since September 2012), Gonzalo Castro de la Mata (member since December 2013 and chairman since November 2014), and Jan Mattsson (member since November 2014).

The Panel also has a permanent Secretariat that provides operational, technical and logistical support to the chairman and Panel members, and assists the Panel in processing complaints, conducting investigations and responding to questions from potential complainants. It organizes outreach events and provides information about the Panel through publications and social media.

The Secretariat is currently headed by Executive Secretary Dilek Barlas, and at the end of fiscal year 2017 consisted of Senior Operations Officers Mishka Zaman and Laura Valli, Operations Officers Birgit Kuba and Tamara Milsztajn, Senior Communications Officer Rob Doherty, Senior Executive Assistant Oriana Bolvaran, Research Assistant Rupes Dalai, and consultant Jordan Burns.

The Panel hosts student interns each summer and welcomes others for temporary practical learning experiences. For its investigations, the Panel hires independent, internationally recognized experts to ensure objective and professional assessment of the issues under review.



*(From left to right):* Executive Secretary Dilek Barlas, Senior Operations Officer Laura Valli, Senior Communications Officer Rob Doherty, Operations Officer Birgit Kuba, Panel Chairman Gonzalo Castro de la Mata, Intern Jessica Depies, Panel Member Zeinab Bashir Elbakri, Consultant Jordan Burns, Panel Member Jan Mattsson, Operations Officer Tamara Milsztajn, Intern Micaela Bullard, Senior Executive Assistant Oriana Bolvaran, Research Assistant Rupes Dalai.





## CASE SUMMARIES

Information on the cases handled by the Inspection Panel in the last year is presented in summary fashion over the next several pages. Depending on the case, the following is provided: Project information, a description of the Request for Inspection, Bank management's response to the Request, the Panel's action in response to the Request, the management action plan in response to a Panel investigation and the Board discussion or action. More detailed information on all of these cases can be found on the **Panel's website**.

### **KENYA: ELECTRICITY EXPANSION PROJECT**

CASE NO. 97

#### **THE REQUEST**

The Panel on October 26, 2014, received a Request for Inspection about the project, which is co-financed by the European Investment Bank, from members and representatives of Maasai communities resettled because of geothermal developments in the greater Olkaria geothermal area. The Panel and the Complaints Mechanism of the European Investment Bank (EIB-CM), which received complaints relating to the same concerns, entered into a memorandum of understanding in order to coordinate the processing of these complaints.

The Requesters claimed the communities agreed to resettle on the condition they would receive communal land title, which had not been obtained at the time of the complaint. They asserted the resettlement adversely affected them and, instead of restoring or improving their livelihoods, led to impoverishment and social tensions. Many of those resettled now live far from their previous sources of income. They also alleged a group of 14 families—largely consisting of orphans, widows and the very poor—were excluded from receiving houses at the resettlement site. They raised concerns about the cultural compatibility of the resettlement housing, health impacts due to new drilling near the resettlement site, and fear of future relocation.

#### **MANAGEMENT RESPONSE**

Management submitted its response on December 16, 2014. It said that it closely monitored the design and implementation of the project's resettlement activities. Management also said that the Resettlement Action Plan (RAP) adequately mitigated potential adverse impacts. According to management, the livelihoods of project-affected households were restored to pre-displacement levels, or better. A RAP Implementation Committee and a project-level grievance redress mechanism allowed project-affected people to seek redress if desired. Management stated it did not find that 14 households were excluded from the RAP. A memorandum of understanding between the implementing agency, Kenya Electricity Generating Company Limited (KenGen), and the project-affected people was agreed in a transparent process, it said. The memorandum included, among other things, criteria to determine inclusion in the RAP, eligibility for housing and cash compensation, housing conditions, and the provision of post-resettlement transportation.

#### **PROJECT INFORMATION**

##### **Electricity Expansion Project**

Project No.:	P103037
Region:	Africa
IDA Credit Amount:	US\$330 million
Board Approval Date:	May 27, 2010
Revised Closing Date:	December 31, 2017

The project's development objectives were to increase the capacity, efficiency and quality of electricity supply, and to expand access to electricity in urban, peri-urban and rural areas.



## PANEL INVESTIGATION

The Board approved the Panel's recommendation to investigate on February 13, 2015.

A joint field mission with the EIB-CM took place from March 25–April 2, 2015, and included meetings in Nairobi and in the project area with Requesters and other villagers, KenGen and government officials, Bank staff, and representatives from other donor agencies.

The Panel's Investigation Report was submitted to the Board on June 29, 2015. The Panel recognized the many positive aspects of this resettlement, including the land-for-land option and the investments in infrastructure, but found that some of the most vulnerable people experienced harm and impoverishment as a result of the resettlement. The Panel determined that some of the harms could have been avoided or mitigated had the protections of the Indigenous Peoples' Policy been afforded. The Panel found that the Bank had followed its policies with regard to physical cultural resources. The Panel also found instances of non-compliance with the Bank's Involuntary Resettlement Policy, including methodological flaws in the identification of project-affected persons (PAPs), ineffective communication with the community and sidelining of the elders in consultation processes, and inadequate attention to livelihood restoration of the most vulnerable PAPs.



## MANAGEMENT REPORT AND RECOMMENDATION/ BOARD DISCUSSION AND ACTION

The Board met on October 20, 2015, to discuss the Panel's Investigation Report. It approved management's involvement, through its Grievance Redress Service, in a mediation process that had already been initiated by the EIB-CM and aimed to have KenGen and the Requesters agree on remedial action. The Board asked Bank management to return within one year to present the results of the mediation and an action plan for its approval.

## ADDENDUM TO THE MANAGEMENT REPORT AND RECOMMENDATION/BOARD ACTION

On October 30, 2016, Bank management sent to the Board an addendum to its September 2015 Report and Recommendation with an updated action plan that included, among other things, measures to identify affected individuals who have been left out of the resettlement process, to improve the physical infrastructure of the resettlement site, and to support livelihood restoration. For example, management committed to develop targeted programs to ensure that livelihood activities for the vulnerable and the very poor are enhanced.

On February 16, 2017, the Board approved management's updated action plan and asked management to report back to the Board on the implementation of the plan on an annual basis. The Panel's 2015 Investigation Report, management's 2015 Report and Recommendation and its October 2016 addendum are publicly available on the Panel's website.

## UGANDA: TRANSPORT SECTOR DEVELOPMENT PROJECT—ADDITIONAL FINANCING

CASE NO. 98

### THE REQUEST

On December 19, 2014, the Inspection Panel received a Request for Inspection from community members of Uganda's Bigodi town. The Panel determined that Bank management was unaware of the concerns in the Request, one of the conditions for registration, and, as a result, did not register the complaint at that time. On September 11, 2015, the Panel received a new Request from three members of the Bigodi and Nyabubale-Nkingo communities in Uganda. The Requesters claimed they were dissatisfied with Bank actions in response to their complaints, and designated a local civil society organization, Joy for Children Uganda (JFCU), to act on their behalf. The Requesters restated the allegations previously raised, including sex with minors and teenage pregnancies by road workers, increased sex work, the spread of sexually transmitted infections, sexual harassment of female employees, child labor, school dropouts, lack of compensation and inadequate compensation, fear of retaliation, lack of participation, poor labor practices, and lack of adequate road and workplace health and safety measures. The Panel registered the Request on September 28, 2015.

### MANAGEMENT RESPONSE

Management submitted its response on December 17, 2015. Management said that since road works commenced on August 1, 2013, Bank missions had repeatedly found instances of non-compliance with environmental and social requirements—particularly concerning land acquisition and various physical impacts of construction—and had flagged these to the Uganda National Roads Authority (UNRA) as requiring remediation. It said concerns related to the sexual misconduct of road workers, however, only came to the Bank's attention with the December 2014 complaint.

Following that complaint, the Bank conducted 11 missions to the site to review the issues raised, according to the response. Management said the Bank worked closely with JFCU during a mission in May 2015. As a result of these missions, management said the Bank concluded that there was credible evidence of at least three cases of project road workers engaging in sexual misconduct with minors, one instance of which resulted in a pregnancy.

#### PROJECT INFORMATION

##### Transport Sector Development Project—Additional Financing

Project No.:	P121097
Region:	Africa
IDA Credit Amount:	US\$75 million
Board Approval Date:	June 16, 2011
Closing Date:	Project canceled on December 21, 2015

The development objective of the additional financing was to enhance the connectivity and efficiency of the transport sector by improving (i) the condition of the national road network; (ii) the capacity for road safety management; and (iii) transport sector and national road management. The additional financing was intended to support scale-up under Component A of the project through the paving of the Kamwenge-Fort Portal Road.

On June 18, 2015, management said the Bank's country director wrote to the government urging that due attention be given to the allegations of sexual misconduct. Following this letter, the Bank and UNRA worked to develop an action plan, including steps to address issues related to sexual misconduct. However, progress in the implementation of the action plan was slow, and the Bank suspended the project, effective October 22, 2015, due to the borrower's non-compliance with its obligations to carry out the project in conformity with appropriate environmental and social standards and practices. On December 21, 2015, the Bank canceled the project due to the contractor's failure to remedy instances of non-compliance and the lack of demonstrated willingness from UNRA to address the identified social risks.

## PANEL INVESTIGATION

On January 8, 2016, the Panel recommended an investigation of the Request to the Board, and the Board approved the recommendation on January 29, 2016. The Panel conducted an investigation visit between March 28 and April 8, 2016, meeting with officials of the Ministry of Finance, the Ministry of Works and Transport, and UNRA, as well as World Bank staff, the contractor and service providers. The team also held meetings with JFCU, the Requesters, community leaders and representatives of the Grievance Redress Committee and numerous affected people.

In its Investigation Report submitted to the Board on August 4, 2016, the Panel confirmed extensive and severe harm to the communities along the road, and identified many instances of the Bank not complying with its own policies and procedures. The Panel found that an adequate assessment of UNRA's capacity regarding environmental and social aspects was not conducted and there was a lack of effective institutional strengthening measures for UNRA's weak capacity. The Panel detected poor project governance, including tension and lack of collaboration among UNRA, the supervising engineer, and the contractor. The Panel also found that poor safety measures had led to more than 25 occupational or road accidents, resulting in at least seven fatalities and many permanent injuries. The Bank, the Panel said, had not ensured the design or implementation of appropriate mitigation measures to protect the community and workers against construction impacts, thus seriously jeopardizing human health and safety.

The Panel corroborated instances of harm related to inadequate and untimely compensation. The Panel considered the inaccuracy of the data on which resettlement was based as the main source of many of the complaints regarding compensation. The Panel also found that road construction commenced and continued before project-affected people were compensated and compensation amounts were frequently insufficient due to failure to assess the full impact of the road on land-take, and lack of livelihoods restoration assistance.

The Panel confirmed that harm to women and children resulting from the project occurred, including many cases of child sexual abuse and teenage pregnancies by road workers. The Panel also found that sexual harassment by road workers was a pervasive problem experienced by both female employees and women and girls in the community. In addition, the Panel confirmed that child labor and school dropouts had occurred as a result of the project. The Panel determined that the environmental assessment (EA) lacked an adequate analysis of the



risks to women and children caused by labor influx. In addition, the mitigation measures proposed in the EA mainly focused on HIV/AIDS prevention and were inadequate to respond to the multi-dimensional problems of gender-based violence and the need for child protection. Finally, the Panel found that Bank management's oversight was not sufficiently robust, its supervision missions did not result in effective problem-solving, and it was late in recognizing and responding to issues after receiving an initial complaint from the communities in December 2014.

## MANAGEMENT ACTIONS

In August 2016, World Bank Group President Jim Yong Kim announced the formation of a Global Gender-Based Violence (GBV) Task Force to advise the Bank on how to prevent and address GBV in World Bank projects.

On October 13, 2016, in response to the Panel's findings, Bank management submitted its Report and Recommendation. In that report, management acknowledged the Panel's findings of non-compliance and committed itself to working to support the government of Uganda in its implementation of a series of measures, including: (i) ensuring delayed resettlement compensation is paid; (ii) implementing corrective measures for construction defects that affected livelihoods and safety; (iii) ensuring the project contractor meets its obligations on wages and working conditions; (iv) strengthening community response to gender-based violence within project communities; (v) supporting counseling for child survivors of sexual violence and their families, together with the provision of health-care support, adolescent sexual and reproductive health services and treatment of sexually transmitted infections, plus support in seeking legal redress; (vi) addressing endemic social issues, and; (vii) reviewing environmental and social safeguards implementation in all relevant projects in Uganda.

Prompted by problems identified with the project, Bank management also issued a report on lessons learned and actions to address internal systemic issues, strengthen oversight of high-risk projects, and prevent recurrence of the types of failures that emerged in the Uganda case.

## BOARD DISCUSSION AND ACTION

The Board met on November 22, 2016, to discuss the Panel's Investigation Report. It approved the management action plan in response to Panel's findings and asked Bank management to report back to the Board in April 2017 on its progress in implementing the plan.

In December 2016, management issued a guidance note to staff on managing risks resulting from the temporary influx of laborers as a result of projects.

In its first progress report dated March 2017, management said it had undertaken steps at both the project level and system-wide. At the project level, management said it had taken steps to: (i) provide support for the victims of child abuse; (ii) complete the resettlement compensation process; (iii) address construction issues; (iv) support capacity-building of the implementing agency; and (v) support the response to gender-based violence. At the systemic level, it said, steps had been taken to improve operational performance throughout the project life cycle, build staff capacity, and undertake systems improvements. According to management, environmental and social provisions in procurement contracts for civil works have also been strengthened.

The Panel's Investigation Report, the Management Report and Recommendation, management's Lessons Learned and Agenda for Action report, its guidance note and its first progress report are available on the Panel's website.



# KOSOVO: PROPOSED KOSOVO POWER PROJECT AND SECOND ADDITIONAL FINANCING ENERGY SECTOR CLEAN-UP AND LAND RECLAMATION PROJECT

CASE NO. 103

## THE REQUEST

On June 12, 2015, the Panel received a Request for Inspection from residents of Hade and Obiliq municipalities in Kosovo. The Request alleged harm related to loss of land, loss of livelihoods, restrictions on economic development and forced displacement. The Requesters believed the Bank caused harm through its engagement in Kosovo's power sector over the years—including through the preparation of the Resettlement Action Plan (RAP) for the Shala neighborhood of Hade village, and the Resettlement Policy Framework (RPF) for the New Mining Field, which sets the standard for future resettlement expected as the Sibovc Mine expands.

### PROJECT INFORMATION

#### Second Additional Financing: Energy Sector Clean-up and Land Reclamation Project

Project No.:	P131539
Region:	Europe and Central Asia
IDA Credit Amount:	US\$4.2 million
Board Approval Date:	May 10, 2013
Closing Date:	August 31, 2016

The development objectives of the Second Additional Financing for the Energy Sector Clean-Up and Land Reclamation Project (CLRP) were to: (i) address environmental legacy issues related to open dumping of ashes on land; (ii) enable Kosovo Energy Corporation (KEK) to free land for community development purposes currently taken by overburden materials and enable KEK to remediate the Kosovo A ash dump; and (iii) build capacity in KEK for continued clean-up and environmentally good practice mining operations.

#### Kosovo Power Project (KPP) (proposed)

Project No.:	P118287
Region:	Europe and Central Asia
Product Line:	Guarantees
IDA Credit Amount:	US\$40 million
Board Approval Date:	NA
Closing Date:	NA

The proposed KPP would support the construction of a new lignite-fired power plant, the Kosova e Re Power Plant (KRPP), which would use best available techniques to meet the rigorous Industrial Emissions Directive of the European Union. The Bank is currently considering its support for the proposed KPP through a partial-risk guarantee. The proposed KPP aims at securing: (i) a reliable energy supply for the Kosovo economy; (ii) energy affordability for citizens and businesses; and (iii) a significant reduction of the environmental and social impacts of electricity generation.

## MANAGEMENT RESPONSE

Management submitted its response to the Request on July 27, 2015. In its response, management explained that no Bank-supported project in Kosovo's mining and energy sector had required resettlement. Management strongly disagreed with the allegation that the harm claimed in the complaint resulted from its technical advice or was likely to result from the proposed new power plant. Notwithstanding, management agreed that past resettlement practices in Kosovo, pre-dating the Bank's engagement, had caused adverse impacts on the affected population. It explained that the Bank supports the government's efforts to address environmental legacies from power generation and mining, and helps enhance the government's capacity to improve resettlement practices. The Bank financed the preparation of a RPF to govern mining-related resettlement, and the Shala RAP. According to the Management Response, government capacity had improved significantly, but management recognized that continuous enhancements could be made during future implementation.

## PANEL INVESTIGATION

The Board approved the Panel's recommendation to investigate the Request on September 17, 2015.

From January 18-22, 2016, a Panel team, accompanied by expert consultants, conducted an investigation visit and met with the Requesters, other affected community members, federal and municipal government officials and representatives of KEK. The Panel team also met with staff in the World Bank country office and representatives of the European Union, the United States Agency for International Development, the Kosovo Independent Commission for Mines and Minerals, and Kosovar civil society organizations (CSOs).

In its Investigation Report submitted to the Board on September 12, 2016, the Panel noted that community members from Hade Village face real and often severe harm caused by the operation of the mine in their immediate vicinity. While the Panel found the Bank was not responsible for the main harm arising either from a 2004/2005 emergency evacuation of households or from the adverse impacts related to the restrictions stemming from a Zone of Special Economic Interest, it found the Bank in non-compliance for not applying its Policy on Involuntary Resettlement during the preparation of the RPF and the Shala RAP. The RPF did not include principles and methods for the valuation of assets of affected people living under the restrictions of the Zone in the New Mining Field. The Panel also found the Shala RAP's ambiguity regarding institutional arrangements and the absence of a detailed resettlement schedule in non-compliance with Bank policy. The Panel believed that these shortcomings contributed to the significant delays experienced during this resettlement.

The Panel acknowledged the "extraordinarily challenging" conditions the Bank had faced since 2001 as it emerged as a prominent energy sector advisor to successive Kosovo governments, and said Kosovo's capacity to address the social and environmental aspects of mining operations would have been less developed without the Bank's help. At the same time, the Panel identified areas where more could have been done to deal with issues of harm in line with Bank policy and expertise, and said its investigation showed that the Bank's "considerable expertise has not been used comprehensively, consistently, or to its fullest potential when it comes to the energy and mining sectors in Kosovo."



### **MANAGEMENT REPORT AND RECOMMENDATION**

In response to the Panel's findings, Bank management pledged to provide technical advice to the government to revise the RPF with the aim of ensuring its full consistency with the Bank's Policy on Involuntary Resettlement. This was to include advice to revise the RPF to allow for better management of the mining-related resettlement process and of the Zone of Special Economic Interest. To provide additional guidance to the government with regard to revising the RPF, the Bank organized a workshop with key government stakeholders and KEK in February 2017. Bank management also said it would continue to supervise the implementation of work to repair a 200-meter section of sewerage at the New Shkabaj resettlement site.

### **BOARD DISCUSSION AND ACTION**

The Board met on December 13, 2016, to discuss the Panel's Investigation Report and approved the management action plan in response to Panel's findings. The Panel's Investigation Report and the Management Report and Recommendation are publicly available on the Panel's website.

## PENDING DECISIONS

### **UGANDA: PRIVATE POWER GENERATION (BUJAGALI) PROJECT; WATER MANAGEMENT AND DEVELOPMENT PROJECT (WMDP); ENERGY FOR RURAL TRANSFORMATION PHASE III PROJECT (ERT-III)**

CASE NOS. 110, 113

#### **THE REQUESTS**

The Panel received two Requests for Inspection related to the three projects, the first on June 20, 2016, and the second on September 19, 2016. Both complaints raised concerns about potential social and environmental harm caused by the construction of the Isimba Dam reservoir and the consequent flooding of the Kalagala Offset Area (KOA). While the World Bank is not financing construction of the dam, the Requesters claimed the flooding will undermine the management of protected natural resources in the KOA, which is a requirement of an Indemnity Agreement signed between the International Development Association and the government of Uganda as part of the Bujagali project. The Panel processed both Requests jointly.

#### **PROJECT INFORMATION**

##### **Private Power Generation (Bujagali) Project**

Project No.:	P089659
Region:	Africa
IDA Partial Risk Guarantee (PRG) Amount:	US\$115 million
Board Approval Date:	April 26, 2007
Expiration Date of the IDA PRG:	November 2023

The main objective of the project was to provide least-cost power generation capacity that will eliminate power shortages.

##### **Water Management and Development Project**

Project No.:	P123204
Region:	Africa
IDA Credit Amount:	US\$135 million
Board Approval Date:	June 26, 2012
Revised Closing Date:	December 31, 2018

The development objectives of the project are to improve: (i) integrated water resources planning, management and development; and (ii) access to water and sanitation services in priority areas.

##### **Energy for Rural Transformation Phase III Project**

Project No.:	P133312
Region:	Africa
IDA Credit Amount:	US\$135 million
Board Approval Date:	June 5, 2015
Closing Date:	December 31, 2020

The development objective of the project is to increase access to electricity in rural areas of Uganda.

## MANAGEMENT RESPONSE

Management argued that the Requests for Inspection were ineligible on several grounds. It said the potential harm alleged by the Requesters does not stem from a Bank-supported project, but is related to the development of the Isimba project, which is not financed by the Bank and, as a result, cannot be subject to Panel review. Management also contended the Bujagali project is completed and, as such, not eligible for the Panel's review. It further said the two additional Bank-supported operations mentioned in the Panel's registration do not relate to the harm alleged in the Requests. Finally, management said, the issues raised in these Requests were addressed in the Panel's recommendation relating to prior Requests in 2001 and 2007.

## PANEL RECOMMENDATION

The Panel met with Bank management to better understand the projects and their status, and spoke with the complainants on different occasions to learn more about their concerns. The Panel was told that Bank management was preparing an Environmental and Social Impact Assessment (ESIA) Addendum, which was expected to be completed by mid-2017 and was intended to address the impacts of the Isimba Dam on the KOA and the resulting mitigation measures that might be needed. On December 16, 2016, the Panel recommended to defer by up to 12 months its decision on whether an investigation is warranted. The Panel said deferring its decision for up to a year would allow it to wait for the completion of the ESIA Addendum and follow-up actions by the Bank.

## BOARD ACTION

On April 4, 2017, the Board of Executive Directors approved the Panel's recommendation to defer its decision for up to a year on whether an investigation is warranted into the WMDP and the ERT-III.





# INDIA: PROPOSED AMARAVATI SUSTAINABLE CAPITAL CITY DEVELOPMENT PROJECT

CASE NO. 119

## THE REQUEST

A Request for Inspection was received on May 25, 2017, from area landowners who alleged harm from a land-pooling scheme used to assemble land required for the proposed city and for activities related to the proposed project. The Requesters also claimed harm related to their livelihoods, environment, food security, resettlement and lack of consultation as a result of the World Bank's non-compliance with its environmental and social standards in preparation of the proposed project.

## PANEL DECISION

The Panel determined the admissibility of the Request and, in line with its Operating Procedures, registered the Request on June 12, 2017.

### PROJECT INFORMATION

#### Proposed Amaravati Sustainable Capital City Development Project

Project No.:	P159808
Region:	South Asia
IBRD Loan Amount (proposed):	US\$300 million
Board Approval Date:	NA
Closing Date:	NA

The development objectives of the proposed project are to build sustainable urban services and capacity of urban institutions for the development of Amaravati Capital City.

### **MONGOLIA: MINING INFRASTRUCTURE INVESTMENT SUPPORT PROJECT (MINIS)—AND ADDITIONAL FINANCING**

CASE NO. 102

#### **THE REQUEST**

The Panel received a Request for Inspection on February 10, 2015, from community representatives and local civil society organizations (CSOs) in Mongolia and Russia. The Request alleged that through MINIS, the World Bank is supporting assessment studies of two subprojects, the Shuren Hydropower Plant and the Orkhon Gobi Water Diversion Project, which may have potential irreversible environmental, social and economic impacts on the Selenge River and surrounding areas and on Russia's Lake Baikal, a World Heritage Site. The Requesters claimed the subprojects were selected through a process lacking clarity and not based on risk and alternatives assessments, including transboundary and cumulative impact assessments. They also stated that consultations with civil society and communities affected by the subprojects had been inadequate.

#### **MANAGEMENT RESPONSE**

Management submitted its response on April 21, 2015. It said it considered the Request for Inspection ineligible for investigation because the issues raised by the Requesters focus on potential harm that could derive from the construction, operation and/or failure of the proposed subprojects, but not from the assessment studies the Bank is financing under MINIS. Management noted that the Bank was not involved in financing construction of the proposed subprojects that are being studied under MINIS, no subprojects were under construction, and management had not made any decision or commitment to finance them.

#### **PANEL RECOMMENDATIONS/BOARD ACTIONS**

The Panel registered the Request on March 13, 2015. On July 27, 2015, the Board approved the Panel's recommendation to defer for one year the decision on whether an investigation was warranted. In the intervening year, the Panel followed project

#### **PROJECT INFORMATION**

##### **Mining Infrastructure Investment Support Project**

Project Nos.:	P118109/P145439
Region:	East Asia and Pacific
IBRD Loan Amount:	US\$25 million
Board Approval Date:	May 10, 2011/March 24, 2014
Closing Date:	September 30, 2017

MINIS is a technical assistance project aimed at facilitating infrastructure investments to support mining operations in Mongolia. MINIS finances assessment studies for subprojects that a project steering committee identifies and proposes for the development of mining activities. Such assessments include pre-feasibility, feasibility and environmental assessment studies. Two of the proposed subprojects are the subject of the Request for Inspection: the Shuren Hydropower Plant and the Orkhon Gobi Water Diversion project. The assessment studies for the two subprojects are to be carried out in three phases: (i) project identification and screening; (ii) pre-feasibility study; and (iii) feasibility studies, including Environmental and Social Impact Assessments (ESIAs).





developments closely, held several meetings with Bank management and the Requesters, and attended a Conference on the Rivers of Siberia in Irkutsk, Russia. On May 16, 2016, management submitted an update to the Panel, explaining that since the issuance of the Panel's first eligibility report, considerable progress had been made in the consultation process and in the updating of the Terms of Reference for the project's ESIA. Based on this information, the Panel on July 6, 2016, recommended deferring its decision on whether to investigate for a second time and said it would report back to the Board within a year. The Panel said it needed to wait until further progress was seen in order to assess the implementation of management's actions, specifically regarding the quality of the consultation process and the progress and scope of the ESIA. The Board approved the recommendation on July 20, 2016.

In the subsequent year, the Panel received frequent communications from the Requesters and three update notes from Bank management, maintained contact with the World Heritage Program housed at the International Union for Conservation of Nature and had kept abreast of recommendations and decisions of the World Heritage Committee related to Lake Baikal. In addition, a Panel team visited Mongolia and Russia in June 2017 and met with Requesters and other potentially affected people who had participated in the consultations, scientific experts, government officials and World Bank staff.

The Panel expressed satisfaction that the project had undertaken major adjustments and made important efforts to properly consult potentially affected people. The Panel recognized that the Request for Inspection had placed the project on a positive trajectory, especially through a recognition of the relevance of transboundary issues, and the greater importance given to ensuring meaningful consultations with both Russian and Mongolian stakeholders.

The Panel noted Bank management's commitment to include various environmental assessment tools, including a regional environmental assessment, cumulative impact assessment and analysis of alternatives, and to integrate comments from the consultations into revised project terms of reference. It also recognized improvement in the capacity of MINIS project management unit and the commitment to establish a joint Russian-Mongolian committee of scientists. The Panel maintained that such actions provided evidence of management's moving in the right direction and its intention to comply with relevant policies and procedures, and on July 13, 2017, it recommended not to investigate the complaint. The Board approved the recommendation on July 27, 2017.

In recommending not to investigate, the Panel emphasized the need for management to remain in close contact with the Requesters and affected communities, to incorporate some of the lessons from previous consultations into future ones, and to ensure diligent implementation of the full set of environmental assessment tools that have been identified.



## ARMENIA: IRRIGATION SYSTEM ENHANCEMENT PROJECT

CASE NOS. 106, 107

### THE REQUESTS

On March 18, 2016, the Panel received a Request for Inspection from residents of Goght community affected by the Gegardalich Gravity Irrigation Scheme of the Irrigation System Enhancement Project in Armenia. The Request included signatures of 98 Goght community members who asked the Panel to keep their identities confidential. The Request raised concerns that the project may lead to a shortage of irrigation water for the Goght community and alleged a lack of consultation and participation.

On May 3, 2016, after it had registered the first Request, the Panel received a second Request relating to the same project. The Request was submitted by Ms. Sara Petrosyan and Ms. Arusyak Ayvazyan on their own behalf and on behalf of 531 residents of Garni village affected by the Kaghtsrashen Gravity Irrigation System. The Requesters asked the Panel to keep the identities of the 531 residents confidential. They were concerned about a lack of water for gravity irrigation, the destruction of the Azat Gorge with impacts on tourism, and issues relating to consultation and participation.

### MANAGEMENT RESPONSE

In its response received on June 10, 2016, management said it did “not agree that harm alleged exists, or that it results from instances of Bank policy noncompliance.” The Management Response explained that the project would not change the volume of available irrigation water nor its distribution; the water would merely be transported by gravity. Management maintained that the two irrigation schemes are viable, the water flow calculations are realistic and conservative, and the project is designed to ensure both communities will continue to receive their irrigation water supply. Management argued that many of the concerns in both Requests were based on inaccurate information and incorrect assumptions.

### PANEL RECOMMENDATIONS/BOARD ACTIONS

The Panel registered the first complaint on April 26, 2016, and the second complaint on May 24, 2016. Since both complaints raised similar issues relating to gravity irrigation under the same project, the Panel processed them jointly. Shortly after the

#### PROJECT INFORMATION

##### Irrigation System Enhancement Project

Project No.:	P127759
Region:	Europe and Central Asia
IBRD Loan Amount:	US\$30 million
Board Approval Date:	May 22, 2013
Closing Date:	June 30, 2018

The project development objective is to reduce the amount of energy used to improve the irrigation conveyance efficiency in targeted irrigation schemes and to improve the availability and reliability of important sector data and information for decision makers and other stakeholders.

Panel's eligibility visit in June 2016, Bank management informed the Panel that the government of Armenia was proposing modifications to the project that required the Bank's reappraisal of it. As a result, the Panel on July 8, 2016, recommended deferring a decision on whether to investigate the complaints and said it would make a recommendation to the Bank's Board of Executive Directors within a year. The Board approved the Panel's recommendation on July 22, 2016.

Since then, the Panel remained in regular contact with the Requesters and met with Bank management periodically to discuss the proposed changes to the project and the progress made in implementing those changes. The Panel conducted a field visit to Armenia in June 2017 and met with the Requesters and other community members in Goght and Garni, the mayors of both communities, representatives of the World Bank country office in Yerevan, the State Water Committee and the Finance Ministry.

Based on those discussions and other information, the Panel on June 28, 2017, recommended not to investigate the complaints, and the Board accepted the recommendation on July 20, 2017.

In making its recommendation, the Panel took into account: (i) the design changes proposed by the government to both irrigation schemes and the Bank's appraisal of them; (ii) the views of the Requesters and other community members about the design changes; and (iii) Bank's management engagement with the affected communities since the Panel received the Requests in 2016. The Panel said it believed the changes to the designs of both irrigation schemes—changes based on proposals presented by the affected communities—provide adequate assurances to prevent potential harm from the Bank project. The Panel, however, stressed the importance of continued engagement with the affected communities to ensure they are well informed about different aspects of the project and its development. It also highlighted the importance of timely implementation of the design changes and full transparency of water usage. The Panel said it is crucial that water-flow measuring devices, envisaged in project documents, are provided and that affected communities can access the data to monitor the availability of their permitted amounts of irrigation water.



## COLOMBIA: RIO BOGOTÁ ENVIRONMENTAL RECUPERATION AND FLOOD CONTROL PROJECT

CASE NO. 108

### THE REQUESTS

The Panel received Requests for Inspection on June 23 and 29, 2016. The Requests were submitted by the “Mesa Ciudadana Cortijo Tibaguya” (Cortijo Tibaguya Citizens Roundtable, MCCT), a neighborhood association that represents the residents of the UPZ 72 community, and “Fundación Colectivo Somos Uno,” which represents members from the El Cortijo neighborhood in Bogotá. They asked the Panel to keep their identities confidential. At the time, the Panel did not register the Requests to provide Bank management with the opportunity to address the communities’ concerns.

On September 30 and October 5, 2016, the Panel received additional complaints from the same Requesters raising similar concerns, and stating that they were not satisfied with Bank management’s actions. The Requesters claimed environmental, health and social harm as a result of the improvement and expansion of the Salitre Wastewater Treatment Plant (WWTP) in Bogotá. They alleged negative environmental impacts on the wetlands and ecosystems of the area. Further, they questioned the analysis of alternatives, and claimed that the project in its current location and form was not technically, environmentally and socially viable. In addition, the Requesters complained about lack of consultation and access to information.

The Panel registered the Requests on October 13, 2016, and decided to process them jointly.

### MANAGEMENT RESPONSE

Management emphasized the importance of the project to the city of Bogotá and the significant adverse environmental and human health risks resulting from the current condition of the Bogotá River, one of the most polluted in the world. It explained that the government, including the implementing agency, Corporación Autónoma de Cundinamarca (CAR), is obligated to clean up the Bogotá River and expand the Salitre WWTP as a result of a decision by the Supreme Court on Administrative Litigation in 2014. Management stated that although it understood the concerns of the Requesters regarding potential project impacts, it was confident that any potential environmental, health or safety impacts from the project had been thoroughly studied and will be effectively mitigated through the project’s design, Environmental

#### PROJECT INFORMATION

##### Rio Bogotá Environmental Recuperation and Flood Control Project

Project No:	P111479
Region:	Latin America and Caribbean
IBRD Loan Amount:	US\$250 million
Board Approval Date:	December 14, 2010
Closing Date:	December 30, 2017

The project development objective is to assist the borrower in transforming the Bogotá River into an environmental asset for the Bogotá Distrito Capital metropolitan region by improving water quality, reducing flood risks and creating multi-functional areas along the river.



Management Plan and Salitre Social Management Plan. Management further stated the Requesters had “not demonstrated that their rights or interests have been, or will be, directly and adversely affected by the Bank’s failure to apply its policies and procedures under Salitre II.” Management pointed out that the Request reflected significant misunderstandings about the project’s technology and impacts. However, management acknowledged weaknesses in the consultation process and proposed actions to strengthen the social expertise of CAR, while also providing an addendum to the Management Response with additional actions to address the Requesters’ concerns.

#### **PANEL RECOMMENDATION/BOARD ACTION**

The Panel conducted its eligibility visit to Bogotá December 1–4, 2016, and met with officials of the Ministry of Finance, the National Department of Planning, the District Environmental Agency, CAR, and the Bogotá Water Supply and Sewerage Company. The Panel also met with the Salitre Roundtable created by CAR, as well as the World Bank staff from the project team. The Panel visited the UPZ 72 community and held meetings with the MCCT and Fundación Colectivo Somos Uno, in addition to approximately 60 community members. The Panel toured the wetlands, the forest areas and the compensation areas in separate visits with the Requesters and CAR.

After conducting its due diligence, the Panel noted the project’s important contributions to enhancing the environmental quality of the Bogotá River basin. The Panel also noted management’s commitment to completing several actions aimed at addressing the potential harm raised in the complaints. These actions include addressing the consultation issues through the continuation of the UPZ 72 Roundtable, which was created specifically for the Requesters, and carrying out an evaluation of the potential to avoid or minimize the loss of the Cortijo-Tibaguya wetland and the environmental buffer zone around the Salitre WWTP project site. Based on the commitments outlined in the Management Response and its addendum, the Panel did not recommend carrying out an investigation. The Board of Executive Directors approved the Panel’s recommendation on January 18, 2017.

## **KENYA: WATER AND SANITATION SERVICE IMPROVEMENT PROJECT—AND ADDITIONAL FINANCING**

CASE NO. 115

### **THE REQUEST**

The Panel received a Request for Inspection sent by 47 people from Murang'a County on November 29, 2016. The Requesters claimed they were suffering harm as a result of the World Bank's failures to apply its policies during the planning and construction of the Northern Collector Tunnel. The alleged harm included irreversible environmental damage, food insecurity due to a lack of water for community and agricultural consumption, and a lack of disclosure of information and community participation. The Inspection Panel registered the case on January 12, 2017.

### **MANAGEMENT RESPONSE**

Management stated the project will have significant positive impacts for beneficiaries in both Nairobi and Murang'a County. Management explained that it understood the concerns raised by the Requesters but argued that, based on comprehensive studies of the project's potential impacts, there was no indication that the tunnel construction would cause adverse impacts to the people living nearby. Management expressed confidence that potential environmental, health and safety impacts from the project were thoroughly studied and are properly addressed by the project's design and mitigation measures. The Management Response concluded that all relevant policies and procedures were followed and the Requesters' rights or interests have not been, nor will be, directly or adversely affected by the Bank's failure to implement its policies and procedures.

#### **PROJECT INFORMATION**

##### **Water and Sanitation Service Improvement Project**

Project No:	P096367
Region:	Africa
IDA Credit Amount:	US\$150 million
Board Approval Date:	December 20, 2007
Closing Date:	December 15, 2017

##### **Water and Sanitation Service Improvement Project— Additional Financing**

Project No:	P126637
Region:	Africa
IDA Credit Amount:	US\$300 million
Board Approval Date:	May 10, 2012
Closing Date:	December 15, 2017

The development objectives of the additional financing are to increase access to reliable, affordable and sustainable water supply and sanitation services, and to improve water and wastewater services in the areas served by Athi Water Services Board, Coast Water Services Board and Lake Victoria North Water Services Board.

## PANEL RECOMMENDATION/BOARD ACTION

A Panel team visited Kenya from February 23–28, 2017, and met with the Requesters, Bank staff, government and project officials, and members of an independent panel of experts involved in the project. Based on information gathered during that visit and documentary evidence, the Panel on March 29, 2017, recommended not to investigate the case. In its eligibility report to the Board, the Panel noted that Bank management, throughout the course of project design and implementation, had recognized concerns about the Northern Collector Tunnel's potential impacts, and that mitigation measures had been adopted or were underway. The original minimum compensation flow for the three rivers involved in the project was changed to a more conservative level and additional data generation and analysis were undertaken, including a catchment abstraction survey to assess the future potential for the domestic, industrial and irrigation water needs of the county. The Panel also noted that, as part of the implementing agency's communication campaign, the public will be informed on how to check on the compensation flows during the operation of the tunnel. The Board approved the Panel's recommendation on April 13, 2017.



### BANGLADESH: TRADE AND TRANSPORT STUDIES RETF PROJECT

CASE NO. 111

#### THE REQUEST

On August 31, 2016, the Panel received a Request for Inspection about the project, funded under the Partnership for South Asia Regional Integration Programmatic Trust Fund. The project funded several studies, including a feasibility study of route options to connect Thegamukh and Chittagong Port, to be followed by detailed designs of the selected option. The project also included environmental and social safeguards studies related to the studies to connect Thegamukh and Chittagong Port. The Request alleged the absence of meaningful engagement with indigenous peoples and raised concern over land issues, forests, the environment and cultural sites. The Request also referred to impacts on traders and demographic changes.

#### PANEL DECISION

The Panel conducted extensive due diligence and learned that the Bank did not accept the feasibility study because it was not satisfied with the standard of consultations and the quality of the draft study. Management assured the Panel that the Bank would not proceed with any activities to connect Thegamukh and Chittagong Port. Since there was no longer a potential for harm to materialize as a result of the Bank's decision not to move forward with any activities with regard to connecting Thegamukh and Chittagong Port, the Panel did not register the Request.

#### PROJECT INFORMATION

##### Trade and Transport Studies RETF Project

Project No:	P148881
Region:	South Asia
Grant Amount:	US\$5 million (Recipient-Executed Trust Fund)
Board Approval Date:	February 9, 2014
Closing Date:	August 31, 2016

The project development objective is to support analysis of institutional and management constraints related to trade and transport facilitation, and preparation of potential investments to facilitate national and regional trade and transport for government and development partner support.





## **INDIA: ANDHRA PRADESH & TELENGANA ROAD SECTOR PROJECT AND NATIONAL HIGHWAYS INTERCONNECTIVITY IMPROVEMENT PROJECT**

CASE NO. 112

### **THE REQUESTS**

On September 11, 2016, the Panel received a Request for Inspection sent by 22 community members from Muramalla Village, Polavaram Mandal, in East Godavari District of the State of Andhra Pradesh, India. On September 12, 2016, four additional community members from the same location sent additional Requests for Inspection. The Requesters claimed harm caused by the involuntary resettlement, environmental degradation and lack of consultations in the context of the widening of National Highway (NH) 216 (previously known as NH 214).

### **PANEL DECISION**

As in a previous case relating to NH 216, the Panel determined that the alleged harm was not linked to any project supported by the Bank. In not registering the Requests, the Panel noted that if, in the future, the road mentioned in the Requests comes to be supported by Bank financing, the Panel would be in a position to reassess the existence of a plausible link between a Bank-supported project and the alleged harm.

#### **PROJECT INFORMATION**

##### **Andhra Pradesh & Telengana Road Sector Project**

Project No:	P096021
Region:	South Asia
IBRD Loan Amount:	US\$320 million
Board Approval Date:	October 15, 2009
Closing Date:	August 31, 2017

The development objective of the project is to provide better quality, capacity and safe roads to users in a sustainable manner through enhanced institutional capacity of the Andhra Pradesh government in the road sector.

##### **National Highways Interconnectivity Improvement Project**

Project No:	P121185
Region:	South Asia
IBRD Loan Amount:	US\$500 million
Board Approval Date:	October 29, 2013
Closing Date:	June 30, 2019

The development objective of the project is to improve the national highway network connectivity to less developed areas and low-income states and enhance the institutional capacity of Ministry of Road Transport and Highways to better manage the highway network.

## INDIA: PROPOSED AMARAVATI SUSTAINABLE CAPITAL CITY DEVELOPMENT PROJECT

CASE NO. 114

### THE REQUEST

The Panel received a Request for Inspection on October 8, 2016, from residents of Amaravati, which is proposed to be the capital of Andhra Pradesh after its bifurcation. They stated they were likely to suffer harm as a result of the World Bank's failures or omissions with respect to environmental and social impacts related to a land-pooling scheme being used to acquire land for the capital city.

### PANEL DECISION

After conducting its due diligence following the Request, the Panel learned the proposed project was in early stages of preparation. Consequently, key safeguards documents and relevant studies were not ready and had not been reviewed by the Bank. Since there was no action or omission by the Bank that could be plausibly linked to the harm alleged by the complainants, the Panel did not register the Request. In doing so, it noted that complainants could approach the Panel in the future as the project progressed and new evidence became available.

#### PROJECT INFORMATION

##### Proposed Amaravati Sustainable Capital City Development Project

Project No:	P159808
Region:	South Asia
IBRD Loan Amount (proposed):	US\$300 million
Board Approval Date:	NA
Closing Date:	NA

The development objectives of the proposed project are to build sustainable urban services and capacity of urban institutions for the development of Amaravati Capital City.

# BANGLADESH: MODERN FOOD STORAGE FACILITIES PROJECT

CASE NO. 116

## THE REQUEST

The Panel received a Request for Inspection on December 8, 2016, from farmers in the project area who feared health, environmental and economic harm from the household grain-storage silos to be distributed under the project.

## PANEL DECISION

In conducting its due diligence, the Panel learned that testing had been completed for the polypropylene copolymer (PCCP) prototype, a food-grade plastic to be used to manufacture the storage silos, and it was confirmed safe for use as raw material in the silos. The Panel also noted that the PCCP is accepted internationally as food-grade plastic, and was used in a previous Bank-financed project in Bangladesh. The Panel issued a Notice of Non-Registration on March 13, 2017.

### PROJECT INFORMATION

#### Modern Food Storage Facilities Project

Project No:	P120583
Region:	South Asia
IDA Credit Amount:	US\$210 million
Board Approval Date:	December 30, 2013
Closing Date:	June 30, 2020

The project development objective is to increase the grain reserve available to households to meet their post-disaster needs and improve the efficiency of grain storage management.

## SERBIA: FLOODS EMERGENCY RECOVERY PROJECT

CASE NO. 117

### THE REQUEST

The Panel received a Request for Inspection of the project on January 6, 2017, from two residents of Novi Pazar who claimed their lands along the Raska River had been acquired for the project without adequate financial compensation and that authorities started construction activities without informing residents. The Requesters also expressed concern over a lack of consultation and the determination of the market value for their properties.

### PANEL DECISION

To better understand the project and the issues raised in the Request, the Panel engaged with the Requesters and Bank management. At an early February meeting with the Panel, Bank management said that it intended to work with the government of Serbia to find a solution to the Requesters' concerns. Subsequently, the municipality initiated a process to renegotiate the compensation amounts for expropriated lands in order to reach in-court settlements with project-affected people in Novi Pazar. On March 21, 2017, one of the Requesters confirmed his intent to settle in court during an upcoming hearing, and on May 16, 2017, he informed the Panel he had accepted the settlement and had received the agreed compensation amount. The Requester expressed satisfaction with the outcome of his case and said there was no need to pursue his complaint with the Panel. Since one of the two Requesters no longer wanted to pursue the case, the Request for Inspection lacked the two signatures required under the Panel's procedures and, as a result, the Panel on May 31, 2017, issued a Notice of Non-Registration. In the notice, the Panel noted that 25 of the 41 project-affected people in Novi Pazar had recently accepted higher compensation offers as a result of negotiations with the municipality and had signed in-court settlements, and that another five had agreed to accept the revised offer and were scheduled for settlements. However, the Panel also noted that the affected people retained their right to re-submit a Request for Inspection of the project should new evidence become available.

### PROJECT INFORMATION

#### Floods Emergency Recovery Project

Project No:	P152018
Region:	Europe and Central Asia
IBRD Loan Amount:	US\$300 million
Board Approval Date:	October 3, 2014
Closing Date:	October 31, 2019

The project development objectives are to: help restore power system capability to reliably meet domestic demand; protect livelihoods of farmers in the flood-affected areas; protect people and assets from floods; and improve the borrower's capacity to respond effectively to disasters.

# VIETNAM: LIVESTOCK COMPETITIVENESS AND FOOD SAFETY PROJECT—AND ADDITIONAL FINANCING

CASE NO. 118

## THE REQUEST

On January 12, 2017, the Panel received a Request for Inspection from two animal-protection organizations in Vietnam that requested confidentiality. The Requesters claimed that the project failed to consider animal welfare issues, and also alleged that animal welfare organizations were not consulted about the project.

## PANEL DECISION

The Panel held a video conference with Requesters to better understand their concerns, and met with World Bank management. The Panel learned from management that the project does not directly support any production facilities, but rather focuses on capacity-building and training activities to improve animal health. The Panel recognized and highlighted the importance of animal welfare. However, after reviewing the information gathered through its due diligence and the information received from Bank management, the Panel did not register the Request given the absence of a currently applicable World Bank Operational Policy and Procedure on animal welfare against which the Panel could determine project compliance.

### PROJECT INFORMATION

#### Livestock Competitiveness and Food Safety Project

Project No:	P090723
Region:	East Asia and Pacific
IDA Credit Amount:	US\$65.26 million
Board Approval Date:	September 22, 2009
Closing Date:	December 31, 2018

The project development objectives are to increase the production efficiency of household-based livestock producers, to reduce the environmental impact of livestock production, processing and marketing, and to improve food safety in livestock supply chains (mainly meat) in selected provinces.

#### Livestock Competitiveness and Food Safety Project—Additional Financing

Project No:	P151946
Region:	East Asia and Pacific
IDA Credit Amount:	US\$44.68 million
Board Approval Date:	June 26, 2015
Closing Date:	NA

The additional financing will continue the pursuit of the project development objectives through its components by supporting activities relating to the scaling-up of interventions for good animal husbandry practices for household producers, wet markets, and small slaughterhouses to enhance impact, with targets higher than the originals as geographic coverage is expanded within the 12 current project provinces.



## MANAGEMENT PROGRESS REPORTS

### **UGANDA: PRIVATE POWER GENERATION PROJECT (BUJAGALI)**

#### **CASE NO. 44**

In its sixth progress report, issued in February 2017, management said the action plan had been implemented except for the issuance of two outstanding land titles. Once those are issued, management said it would submit a final progress report to the Board.

### **INDIA: VISHNUGAD PIPALKOTI HYDRO ELECTRIC PROJECT**

#### **CASE NO. 81**

In its second progress report, issued in November 2016, management said considerable progress had been made in implementing the action plan. For example, in the issues of resettlement and livelihood restoration for the hamlet of Hatsari, it said further progress had been made “in addressing the Panel’s concerns regarding the coverage of Hatsari” under the project’s Resettlement Action Plan. Management will submit a third progress report in November 2017.

### **ETHIOPIA: PROMOTING BASIC SERVICES PHASE III PROJECT**

#### **CASE NO. 82**

In its second progress report, issued in February 2017, management said actions had been completed regarding: production of a safeguard management manual for communities (*woreda*); support for smallholder agriculture in Gambella; support for public financial management in the *woredas*; and the benchmarking of *woreda* public financial management performance. Two actions remained outstanding concerning improvement of the link between social accountability and financial transparency, and training of grievance redress officers. Management will prepare a third report in February 2018.

### **NEPAL: POWER DEVELOPMENT PROJECT**

#### **CASE NO. 87**

In its first progress report, issued in August 2016, management said that implementation of the action plan had “progressed substantially in the past 12 months.” Outstanding issues were to support and supervise the Nepal Electricity Authority to: (i) update and implement the Vulnerable Community Development Plan activities for Sindhuli in consultation with the affected communities; (ii) complete compensation for the right-of way; and (iii) complete resettlement and rehabilitation assistance for the Khimti-Dhalkebar Transmission Line.

### **UGANDA: TRANSPORT SECTOR DEVELOPMENT PROJECT**

#### **CASE NO. 98**

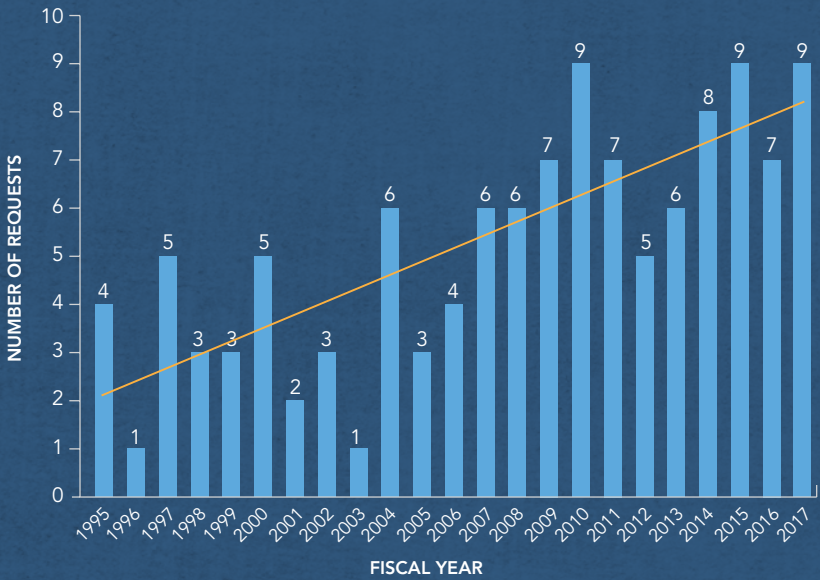
In its first report, issued in March 2017, management said it had undertaken steps at both the project-level and system-wide. At the project level, management said it had taken steps to provide support for the victims of child abuse, to complete the resettlement compensation process, to address construction issues, to support capacity-building of the implementing agency and to support the response to gender-based violence. At the systemic level, it said, steps had been taken to improve operational performance throughout the project life cycle, build staff capacity, and undertake systems improvements. Management will prepare a second report in March 2018.



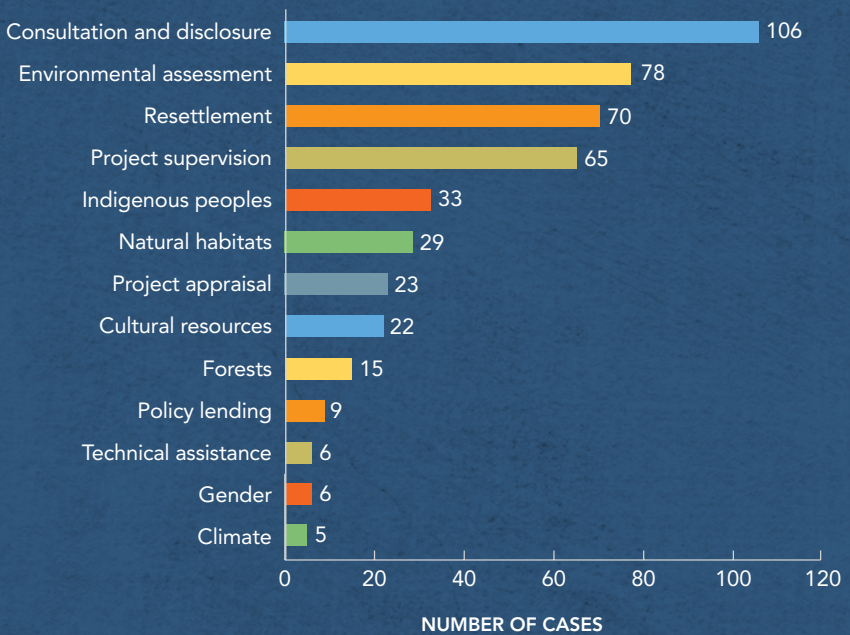
**APPENDICES**

## APPENDIX I: GRAPHS ON PANEL CASES

### REQUESTS RECEIVED

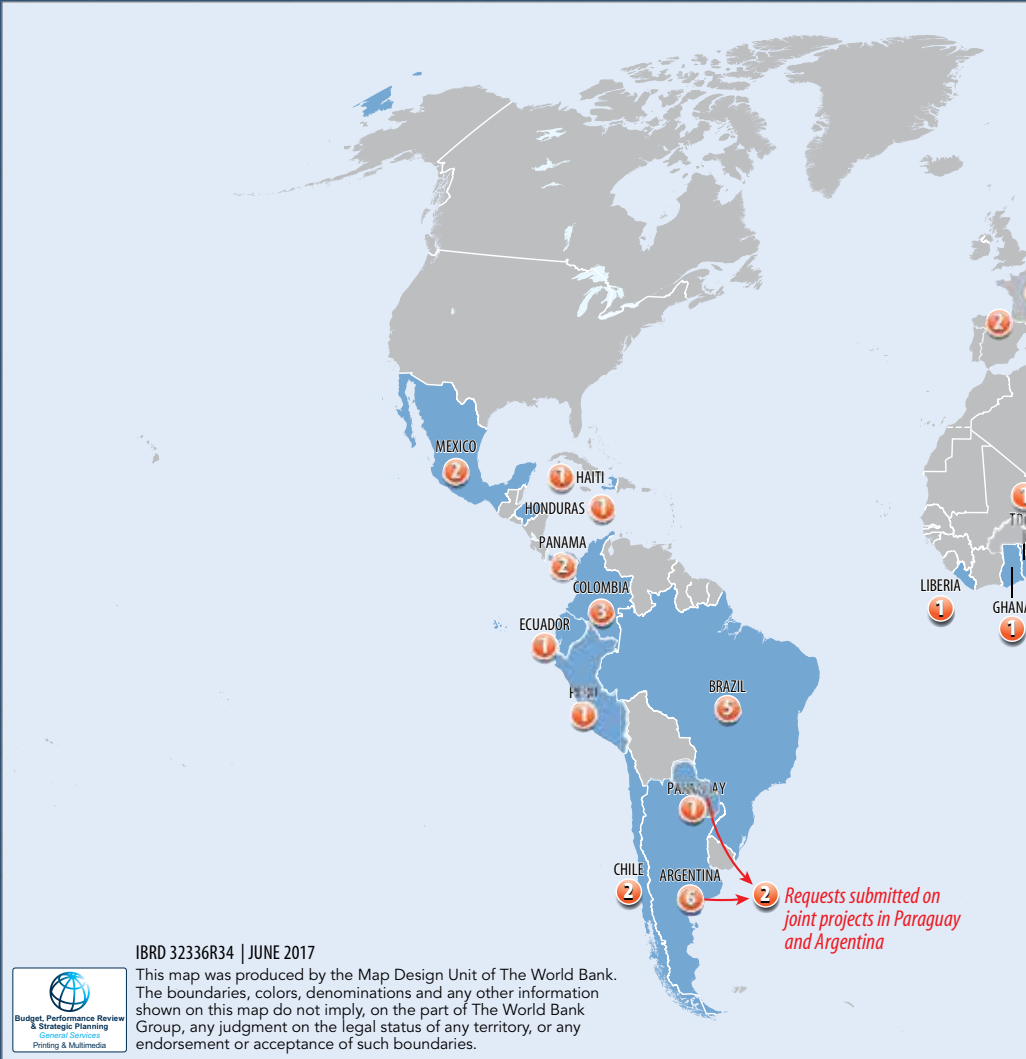


### MAJOR POLICY ISSUES RAISED IN REQUESTS, June 2017



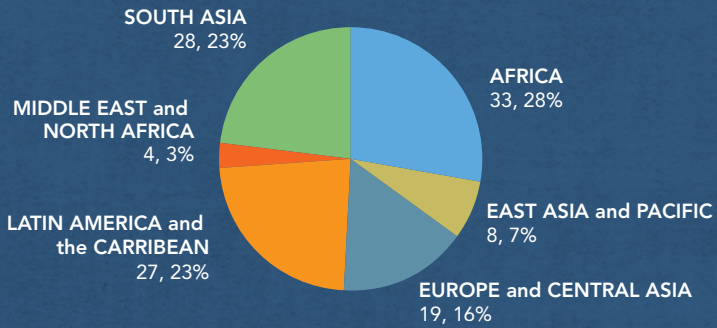


# GEOGRAPHIC DISTRIBUTION OF CASES

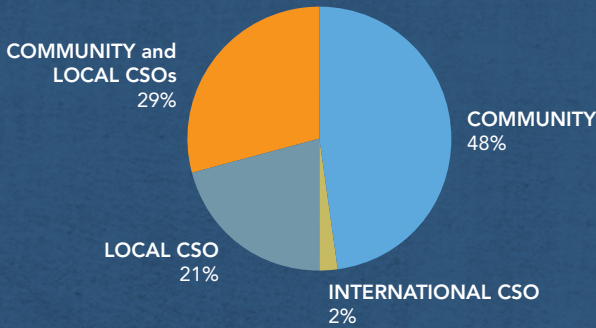




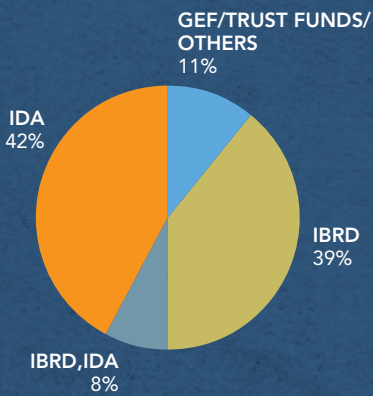
## REGIONAL DISTRIBUTION OF CASES



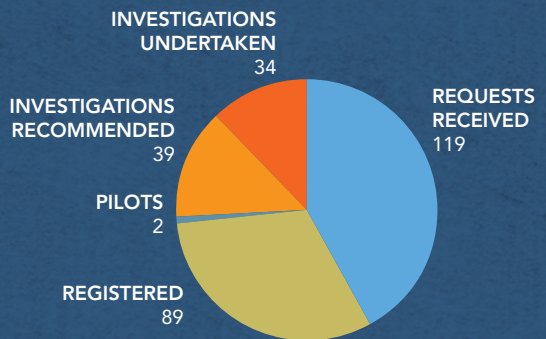
## TYPE OF REQUESTERS



## PROJECT FINANCING SOURCE



## CASE PROCESSING HISTORY



## APPENDIX II: BIOGRAPHIES OF PANEL MEMBERS AND EXECUTIVE SECRETARY

### GONZALO CASTRO DE LA MATA (Chairman)

Dr. Gonzalo Castro de la Mata was appointed to the Inspection Panel on December 16, 2013, and became its chairman on November 1, 2014. He is a U.S. and Peruvian national with close to three decades of international development experience. His career includes key roles across the private and public sectors and in multiple areas of development work, including biodiversity, climate change, accountability, and ecosystem management. He has been involved in highly visible and complex international projects, including as chair of an independent panel for the U.S. Export-Import Bank for the Camisea project in Peru, and as a member of a UN review panel of the Barro Blanco Dam in Panama.



In 2009 he founded Ecosystem Services LLC, a company specializing in market-based approaches to conservation and renewable energy. Previously, he was managing director of Sustainable Forestry Management (SFM) for the Americas, where he was responsible for seminal investments that generated the first carbon credits from native plantations and forest conservation. Before SFM, he was head of the Biodiversity Unit at the Global Environment Facility, principal environmental specialist at the World Bank, director and vice president of World Wildlife Fund's Latin American and Caribbean Program in Washington, and founder and chief executive officer of Wetlands for the Americas. He earned a Ph.D. in ecology and population biology from the University of Pennsylvania and received his M.A. and B.A. from Cayetano Heredia University in Lima, Peru. Dr. Castro de la Mata's appointment runs through December 15, 2018. In April 2017, he was re-elected as Panel chairman for another term, which ends on October 31, 2018.

### ZEINAB BASHIR ELBAKRI

Dr. Zeinab Bashir Elbakri was appointed to the Inspection Panel on September 1, 2012. A national of Sudan, she brings to the Panel more than 20 years of development experience.

Dr. Elbakri built a broad career at the African Development Bank (AfDB), where her last position was vice president of operations from 2006-2009. Between 1991 and 2005, she served in a number of positions at AfDB spanning multiple regions of Africa and focusing on portfolios including social development, gender, agriculture and agro-industry, climate change and governance.



After leaving AfDB, she was appointed director of the Delivery Unit for the Office of His Highness the Prime Minister of Kuwait, responsible for ensuring delivery of reform initiatives. Dr. Elbakri's time at AfDB was preceded by an academic career at the University of Khartoum, where she was senior lecturer in anthropology and sociology and also managed the Women and Development Programme of the Development Studies and Research Center. Her early career included a number of consultancies within the United Nations system, and at philanthropic and international non-governmental organizations.

Throughout her career, Dr. Elbakri has worked on evaluation issues based on meticulous attention to facts. Her work at AfDB included service on the Board Committee on Development Effectiveness and responsibility for management responses to independent evaluations within her sectors. She was also responsible for estab-

lishing AfDB's Governance, Economic and Financial Reforms Department. Dr. Elbakri holds a Ph.D. in sociology and anthropology from Hull University and received her M.A. and B.A. in sociology from the American University in Cairo.

The Board extended her appointment by three months to run through November 30, 2017.

### **JAN MATTSSON**

Jan Mattsson was appointed to the Inspection Panel on November 17, 2014. A Swedish national, he brings to the Panel more than three decades of experience in the public and private sectors, as well as in academia. His career has included operational field work, policy advice, program management, and leadership roles at the United Nations where he established robust systems for results-based management, transparency and accountability. Throughout his career he has demonstrated the ability to engage and build trust with multiple stakeholders around complex issues, risk management and innovation. He is passionate about social justice and behavioral ethics.



Mr. Mattsson held positions in several UN agencies – including the United Nations Development Programme, the United Nations Industrial Development Organization, the United Nations Population Fund, the United Nations World Food Programme and the United Nations Office on Drugs and Crime. In his final UN assignment, he was under-secretary-general and executive director of the United Nations Office for Project Services, an organization specializing in the implementation of development, humanitarian and peace-building operations on behalf of multiple partners. After leaving the UN, he founded M-Trust Leadership, an advisory firm promoting socially responsible investments and partnerships among business, government and civil society in pursuit of sustainable development. He has a Ph.D. in engineering from the University of Linköping, Sweden, with a multi-disciplinary thesis on management of technological change. His term runs through November 16, 2019.

### **DILEK BARLAS**

Ms. Dilek Barlas has served as the Executive Secretary of the Inspection Panel since July 2014. In her capacity as the Executive Secretary, Ms. Barlas provides strategic support and advice to the Panel Chairperson and Panel members; manages the Panel's Secretariat, its staff, consultants and resources; and maintains Panel's relations with internal stakeholders (the Board of Executive Directors, its committees, World Bank senior management and staff) as well as external ones (Requesters, civil society organizations, academia and the media). Ms. Barlas was the Panel's Deputy Executive Secretary from 2007 to 2014. A Turkish national, Ms. Barlas has extensive experience in the field of development. A lawyer by training, Ms. Barlas joined the World Bank in 1992 and served as the Senior Counsel in the World Bank Legal Vice Presidency for the Europe and Central Asia Region. As Senior Counsel she was responsible for the legal aspects of World Bank operations and conducted negotiations in numerous countries, including Albania, Azerbaijan, Uzbekistan, Bosnia and Herzegovina, and Turkey. Her work also included an overseas field assignment to the World Bank Office in Ankara, Turkey, from 2004 to 2006. Prior to joining the World Bank, Ms. Barlas served with the Under Secretariat of Treasury and Foreign Trade of Turkey and played a critical role in the preparation of Turkey's anti-dumping and subsidies legislation. Her private law practice includes work as an associate with White and Case in their Washington, D.C., office. Ms. Barlas holds a law degree from the University of Ankara, Turkey, and an LLM in International Legal Studies from the Washington College of Law at American University, Washington, D.C.



## APPENDIX III: INSPECTION PANEL BUDGET

Salaries <sup>a</sup>	\$1,276,853
Benefits <sup>a</sup>	663,823
Communications & IT Services	113,701
Office Occupancy	174,270
Equipment and Building Services	103
Temporaries	45,502
Consultants <sup>b</sup>	526,721
Travel	272,784
Representation & Hospitality	11,915
Publications	62,546
Contractual Services	111,366
Other Expenses	12,636
<b>Total Budget Spent</b>	<b>3,272,220</b>
<b>Total Budget Received</b>	<b>3,704,000</b>

Notes

<sup>a</sup> Includes Chairman salary and benefits.

<sup>b</sup> Include Panel members' fees.

## HIGHLIGHTS OF THE PANEL'S YEAR

**Caseload:** The Panel delivered investigation reports on cases from Uganda and Kosovo to the Board of Executive Directors. The Board also approved a management action plan that resulted from a mediation process that followed the Panel's fiscal year 2015 investigation of the Kenya Electricity Expansion Project (KEEP).

The Panel's investigation into the additional financing of the Uganda Transport Sector Development project prompted a variety of Bank actions—including the creation of a Global Gender-Based Violence Task Force, policy changes, and responses at the community level, among them providing support for the victims of child abuse.

The investigation in Kosovo highlighted the challenging conditions the Bank faced as a prominent energy sector advisor to successive governments there. The Panel's findings informed actions by Bank management to redress harm to the affected communities, and enabled institutional learning by emphasizing the importance of considering the broader context in future Bank interventions.

The mediation agreement that followed the Panel's KEEP investigation resulted in an updated management action plan that contained commitments to verify those individuals who have been left out of the resettlement process and to come up with programs to ensure that livelihood activities for the vulnerable and very poor are enhanced.

Panel actions in cases from Armenia, Mongolia and Russia also led to positive outcomes for communities even though the complaints did not result in investigations.

**Emerging Lessons Series:** The Panel released the second and third reports in its Emerging Lessons Series. The reports identify lessons from the Panel's nearly quarter-century-old caseload, and are intended to add to the institutional knowledge base at the World Bank and in the global development community, enhance accountability, foster better project results and contribute to more effective development.

The second report in the series covered lessons from cases involving indigenous peoples and was released at the 2016 International Monetary Fund-World Bank Group Annual Meetings. The third report, released at the 2017 Spring Meetings, identified lessons from Panel cases related to environmental assessment issues.

The next report in the series—on cases focused on requirements for consultation, participation and disclosure of information—was scheduled to be released in the fall of 2017.



**IAMs Network:** The Panel took part in the three-day annual meeting of the Independent Accountability Mechanisms (IAMs) Network in Manila in September 2016. The IAMNet has grown and now consists of 18 accountability mechanisms at multilateral and bilateral developments around the globe. Its members regularly exchange ideas and assist with institutional capacity-building in accountability and compliance as components of corporate governance. Members also collaborate, as the Panel did with the Complaints Mechanism of the European Investment Bank in jointly investigating KEEP. The Panel took the lead in producing a video about the IAMs' work, and it is available on the Panel's website.

**Outreach:** The Panel held a series of workshops throughout the year in an effort to explain its mandate and procedures to a broad group of stakeholders. The Panel partnered with other IAMs to hold workshops for civil society organizations in the Philippines, Colombia, Ukraine, Thailand and Guatemala. The Panel also participated in the Civil Society Policy Forum orientations at both the Annual and Springs Meetings in Washington, D.C.

Executive Secretary Dilek Barlas joined with representatives of six other IAMs to organize two discussions at the International Association for Impact Assessment annual meeting in Montreal, at which the mechanisms introduced the video about their work.

At the 16th Session of the UN Permanent Forum on Indigenous Issues, the Panel hosted a side event that was part of a full day of discussions sponsored by the World Bank Group. Panel Chairman Gonzalo Castro de la Mata discussed Panel cases involving indigenous peoples, with a focus on a 2005 case from the Democratic Republic of Congo. The chairman also took part in a panel at the World Bank Conference on Land and Poverty titled, "Strengthening Governance and Community Rights for Indigenous Peoples."





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