



ISSUE

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The Update

Inspection Panel Newsletter

The Inspection Panel

The Inspection Panel was established by identical Resolutions of the Boards of Executive Directors of IBRD and IDA in 1993 as an independent accountability and recourse mechanism of the World Bank. In response to complaints from project affected persons, the Panel investigates Bank-financed projects to determine whether the Bank has complied with its own policies and procedures (including social and environmental safeguards), and to address related issues of harm to people or the environment.

File a Request

For information on how to file a request click [here](#) to find a detailed guide and template.

Frequently asked

Questions

Unsure about how the Panel works or whether a project qualifies for inspection?

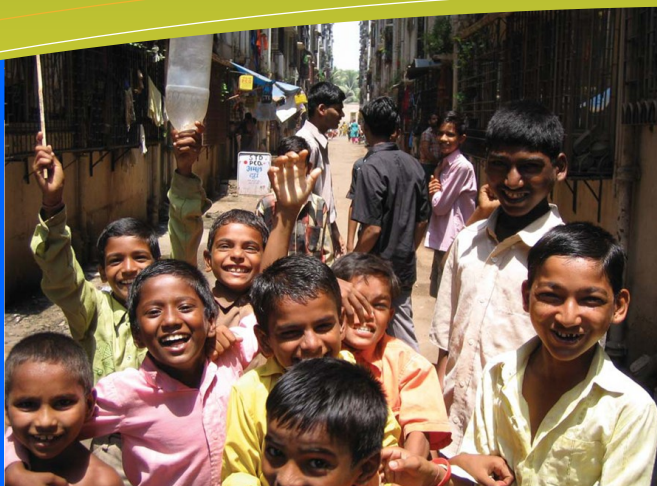
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Message from the Inspection Panel Chair



Since the last issue of our newsletter, the Inspection Panel has been extensively engaged in addressing Requests for Inspection received from affected people and communities in ten countries -- Cambodia, Papua New Guinea, Pakistan, Kazakhstan, Yemen, South Africa, Congo-DRC, Chile, Panama and Peru. As described in this newsletter, the Projects that have been the subject of these Requests have focused on a range of sectors, from land and tax administration, institutional reform and private sector development to urban transport, energy generation and agricultural development. Importantly, in many of these cases, the Panel is not only assessing policy compliance but also, through the various stages of the panel process as described below, helping to address compliance-related harms facing affected people and communities.

The Panel's pro-active role in interacting with Bank management to help resolve the grievances of af-

ected people is but one of several areas in which the Panel has been innovating to strengthen its relevance and impact in a constantly changing environment. Indeed, in the last several months the Panel has engaged in strategic discussions to help sharpen its efficiency and effectiveness in fulfilling its mandate and in meeting the needs of affected communities and other stakeholders. In doing so, the Panel has been building on the lessons learned in its first fifteen years, which were captured in its landmark October 2009 report, "[The Panel at 15](#)" (see page 6). The Panel has also organized or participated in numerous outreach activities, both in Washington and elsewhere, to help improve knowledge and understanding of the Inspection Panel and its roles among stakeholders, including potentially affected people, civil society groups and Bank staff.

Since this is the first issue of our Newsletter to go out under my signature, I would like to pay a special tribute to my predecessor as Chairperson of the Panel, Mr. Werner Kiene, whose term expired last October. All of us owe Werner a debt

of gratitude for the energy, commitment and passion that he brought to the Panel as a highly appreciated Member and Chairperson, and especially for his leadership in promoting a stronger interactive and problem-solving approach. At the same time, my fellow Panel Member Alf Jerve and I and all the staff of the Panel's Secretariat would like to warmly welcome our newest Panel Member, Ms. Eimi Watanabe, who joined the Panel in November. A national of Japan with very significant experience in international development, Eimi had a distinguished career in the United Nations system, serving as Assistant Secretary General and Director of UNDP's Bureau for Development Policy, as UN Resident Coordinator and UNDP Resident Representative in Bangladesh, and as UNICEF Representative in India. A sociologist by training with a doctoral degree from the London School of Economics, Eimi has broad experience in programs in child health and nutrition, primary education, environment, governance, and migration, as well as a very strong track record of working collaboratively with governments, NGOs, and donor agencies.

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The Role of the Panel Process in Problem-Solving

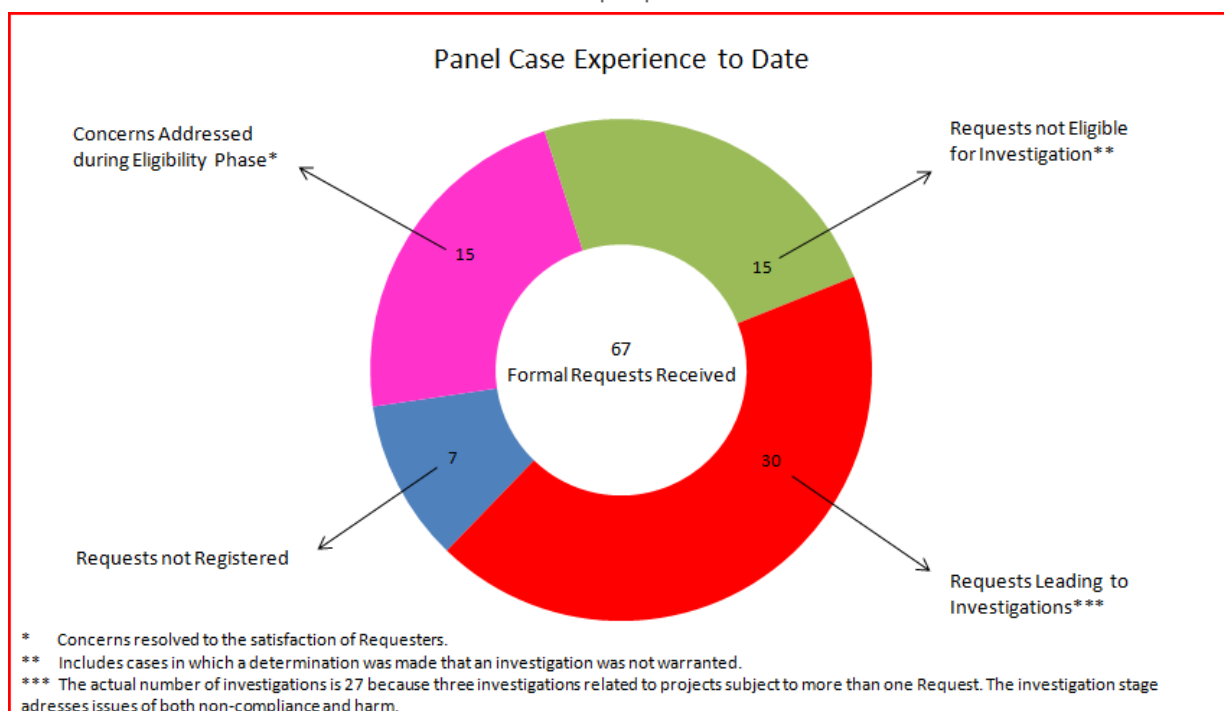
Problem-Solving for Affected People

In tandem with the Panel's mandate to assess World Bank compliance with social, environmental and other policies, the Panel process is also designed to address harms facing project-affected people (linked to non-compliance). It is worth noting that the Panel process provides for grievance redress and problem-solving at several stages. The first is at the **very beginning** when, according to Panel procedures, affected people must first approach Bank Management to see if Management will address and resolve their concerns. This early window of discussions, with the possibility of an Inspection Panel process in the background, can create an important opportunity and extra incentive for Management to take actions early to address problems. In each of the five new requests for inspection recently received by the Panel as listed in the bottom of this page, significant interactions with Bank Management took place before the Requests were submitted.

If affected people and communities are not satisfied with the Management response to their concerns, they can initiate the Inspection Panel process through a simple-format Request for Inspection to the Panel. Once the Panel registers a Request, Bank Management has 21 working days to develop its formal response, and the Panel has 21 more working days from receiving Management's Response to decide whether to recommend a full investigation. During this **"eligibility phase"**, there are additional significant opportunities for early problem solving, and the Panel stays in regular contact with Requesters to foster these opportunities where they may be present. As described on page 3 of this newsletter, fruitful interactions between Requesters, Bank Management and the Panel during this eligibility phase resulted in the initiation of significant problem-solving efforts most recently in Yemen and DRC.

In cases where the Panel carries out a full investigation, the Bank Management is required to develop actions to address Panel findings of non-compliance and harm. Moreover, during the course of an investigation itself there are often considerable opportunities for addressing problems and bringing projects into compliance with policies. Indeed, this has been a feature of the ongoing investigations in Panama, Peru and Cambodia described in pages 4 and 5 below, as well as the completed investigation of the Santa Fe Road Infrastructure Project in Argentina described on page 5. This **investigation stage** and related **follow-up** is thus also designed to generate actions to address and resolve harms to affected people.

The Panel is engaged in ongoing discussions on ways to further strengthen early problem solving opportunities within the Panel process, consistent with the Panel's independence and fundamental mandate to investigate and report on non-compliance and harm. A summary of Panel initiatives on this topic in recent years is in Chapter 4 of the *"Inspection Panel at 15"* report referred to in the Chair's Message. We would welcome and appreciate thoughts and ideas.



Latest Requests for Inspection

Since the last Panel newsletter in September 2009, the Panel has received five new Requests for Inspection from communities and affected people. These Requests (some described in this Newsletter) relate to the following five projects:

- Papua New Guinea: Smallholder Agriculture Development project (see page 5)
- Pakistan: Tax Administration Reform Project (see page 3)
- South Africa: Eskom Investment Support Project (Project includes a 4,800 MW coal-fired power plant)
- Kazakhstan: South-West Roads - Western Europe-Western China International Transit Corridor (major road project through several countries; Request focuses on areas of Turkestan)
- Chile: Quilleco Hydropower Project and Laja Hydroelectric Project (projects seeking to promote carbon emission reductions through hydro-power)

Cases at Eligibility

The Panel has completed its eligibility review of recent Requests for Inspection. In one case (Pakistan), the Panel determined that no investigation was warranted, taking into consideration the steps committed to by Bank Management to address key underlying concerns as well as the nature of the claims in light of Bank policy. In two other cases (DRC and Yemen), the Panel decided to defer its decision on whether to recommend an investigation providing an additional opportunity for problem-solving in light of new proposals for action from Bank Management and the respective governments. These cases are noted below.

Pakistan: Tax Administration Reform Project



On December 22, 2009, the Panel received a Request for Inspection related to the Pakistan: Tax Administration Reform Project. The Request was submitted by

members of the Officers of Customs and Excise Group Association.

The Requesters claim that they are being harmed by the new organizational service structure being developed under the Project, and contend that the approach is a “deviation” from the original Project objectives and at odds with the laws of Pakistan. A Panel team visited Pakistan in February to meet with the Requesters and affected people and gathered information relat-

ing to the Panel’s determination of the eligibility of the Request for Inspection. After reviewing the steps committed to by Bank Management to address key underlying concerns as well as the nature of the claims in light of Bank Policy, the Panel submitted its report to the Board in March 2010 and recommended that no investigation be undertaken.

All reports and further information are available by clicking [here](#).

Yemen: Institutional Reform Development Policy Grant



On April 13, 2009, the Panel received a Request for Inspection related to the Yemen’s Institutional Reform Development Policy Grant. The Request was submitted by two individuals, on their behalf and on behalf of a local Non-Governmental Organization. The Request claims, inter alia, that the Bank failed to comply with principles of transparency and disclosure of

information with respect to the Program, which they contend will produce negative effects on wages, employment and poverty Reduction.

The Panel presented its Eligibility Report to the Board on June 19, 2009. The Panel noted important steps proposed and taken by Management to address the issue of translation of documents. The Panel determined, however, that issues on consultation and participation remained, and recommended an investigation.

Following the Panel’s Report, an Executive Director requested a Board discussion, which took place on

September 15, 2009. In advance of this discussion, Management submitted an enhanced action plan to address these remaining issues. Based on this action plan, and the Requesters’ expressed interest in its implementation, the Panel proposed to defer its recommendation in order to promote an opportunity to address these concerns. The Board agreed and welcomed Bank Management’s commitment to report on progress by June 2010, after which the Panel will recommend whether an investigation is warranted.

Reports and further information are available [here](#).

DRC: Private Sector Development and Competitiveness Project



On December 15, 2009, the Panel received a third Request for Inspection related to a retrenchment operation in Democratic Republic of Congo (DRC): Private Sector Development and Competitiveness Project. The Request was submitted by the “Inter-syndicale”, which represents former employees of three state-owned banks: the “Banque de Credit

Agricole” (BCA); the “Banque Congolaise du Commerce Exterieur” (BCCE); and the “Nouvelle Banque de Kinshasa” (NBK).

In March 2009 the Panel received two previous Requests related to the retrenchment of GECAMINES, another state-owned enterprise financed by the same Project. All Requests raise similar issues of non-compliance and harm. The Requesters claim that severance packages did not comply with provisions of the Congolese Labor code and relevant Bank policy, and that the attempted reintegration measures did not succeed. All three Requests are being processed

simultaneously.

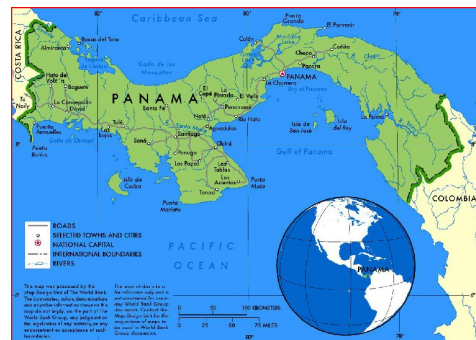
In its most recent report to the Board, the Panel recommended providing Management additional time to implement a proposed Action Plan. By February 2011 the Panel will report back to the Board on Management’s progress and will determine whether an investigation is warranted. Management’s Action Plan include the establishment of a conflict resolution mechanism, a certification of the social debt per enterprise per employee, and reform of the national pension scheme.

All reports and further information are available on the IPN website by clicking [here](#).

Ongoing Investigations

The Inspection Panel presently is conducting four investigations in response to Requests for Inspection from project affected people and communities. These investigations relate to World Bank-financed projects in Panama, Peru, Cambodia and Papua New Guinea. Details are provided below.

Panama: Land Administration Project



On February 29 and March 17, 2009, the Panel received Requests for Inspection from members of two indigenous communities in Panama, the Naso and the Ngöbe. The Requests complained of policy violations and harm resulting from the Bank-financed Land Administration Project in Panama (PRONAT).

The PRONAT project is aimed to promote land titling on private lands, and also has a specific component that aims to support and consolidate protected areas and indigenous lands. The Requests claimed, however, that the Project is not meeting its objectives to support indigenous lands and, instead, is posing risks and harm to the affected communities.

In particular, the first Request claims that the Bank and Project have taken actions contrary to the long-standing aspiration of the Naso people to their own autonomous homeland (a "Comarca"). The Request also claims that the Project was improperly consulting with a person who was not the legitimate leader of the Naso people. The second Request claims that the Bank and Project have failed to recognize and support the land claims of Ngöbe people living in "Areas Anexas", and supported a flawed consultation process that has proposed improperly restrictive land boundaries.

The Bank Management Response notes that the Project, by its objectives, aims to support the efforts of indigenous peoples to gain land tenure and security. It acknowledges, at the same time, certain shortcomings during Project design and implementation, including the failure to prepare a stand-alone Indigenous Peoples Development Plan and shortcomings in consultations. In this light, the Response identified a list of responsive actions to address concerns raised.

In July 2009 the Panel recom-

mended an investigation into the Requests, but with a delayed start (several months) in deference to the fact that a new Government was taking office in Panama and "to allow time for progress on the actions referred to in Management Response." The Panel took this approach "in the spirit of promoting additional opportunities for the issues to be addressed, in light of the interests of the Requesters in pursuing this approach and the indications by Management that they will act on these opportunities."

The Panel carried out its field visit in January 2010, supported by Dr. Anthony Stocks, a leading independent expert on indigenous land claims and participatory mapping. The Panel visited affected communities and many others during its visit, and has interacted with Bank Management, with the support of its expert, to enhance opportunities for actions to address the concerns of the affected communities. The Panel expects to submit its investigation report to the Board in the coming weeks. Reports and further information are available on the IPN website by clicking [here](#).

Peru: Lima Urban Transport Project



On October 1, 2009, the Panel received a Request for Inspection submitted by residents of the district of Barranco in the city of Lima, Peru referring to the Lima Urban Transport Project. The Project's main objective is "to assist the Borrower in enhanc-

ing the economic productivity and the quality of life in the Borrower's municipal territory by improving mobility and accessibility for its population, especially in the peri-urban poor neighborhoods, through the establishment of an efficient, reliable, cleaner and safer mass transit system."

The Requesters claim, that the new bus transit system would cause serious and permanent damage to the district. They claim that citizen consultations were not carried out, and that the environmental assessment (EA) was neither rigorously conducted nor approved by the competent authority. On December 30, 2009 the Board of Directors approved the Panel's rec-

ommendation to investigate.

The investigation is now in progress, focusing on the issues raised by the Request as they relate specifically to the district of Barranco, including the potential longer-term impacts of the Project and the adequacy of related mitigation measures. The Panel and its experts have also held discussions with the affected people and Bank Management to foster possible opportunities for early actions to address concerns.

All reports and further information are available on the IPN website by clicking [here](#).

Cambodia: Land Management and Administration Project



On September 4, 2009, the Inspection Panel received a Request for Inspection related to the Cambodia: Land Management and Administration Project (LMAP). The Project aimed to assist the Borrower in its efforts to improve land tenure security and develop efficient land markets.

The Request claims that the commune area in which the affected community resides was declared an “adjudication zone” for purposes of land registration under the Project. It further claims that people were, nevertheless, denied their requests for land claim investigations on the ground that

these lands were instead within a “development zone,” and that people were improperly evicted from their homes in violation of Bank policy.

In early September of 2009, the Government took action to cancel the Project. In its response to the Request for Inspection, dated November 2, 2009, Management noted issues relating to the status of the Project, and its continuous efforts to address the issues raised in the request.

In order to give Management time to establish a dialogue with the Government to address the concerns of the Requesters, in December 2009 the Panel recommended to defer, until March 31, 2010, a decision on whether to investigate. The Panel’s recommendation was approved by the Board.

In its second Eligibility Report submitted on March 31, 2010, and in

light of its review of the circumstances on ground, the Panel recommended that a full investigation be carried out of the issues raised in the Request. The Board approved this recommendation on April 13, 2010.

The Panel has initiated its investigation and recently completed its field visit. The Panel team is supported by Dr. Geoffrey Payne, a leading expert on urban land development issues with extensive experience in Cambodia. During its visit, the Panel met with project affected people and communities, government officials, and many others. It is now carrying out interviews and other fact-finding work in order to prepare its final investigation report to be submitted to the Board.

All reports and further information are available [here](#).

Papua New Guinea: Smallholder Agriculture Development Project



On December 8, 2009, the Panel received a Request for Inspection related to the Papua New Guinea: Smallholder Agriculture Development Project. The Project intends to increase local development by increasing oil palm revenue through the participation of smallholders.

The Request was submitted by a local NGO called Center for Environmental Law and Community Rights

(CELCOR), acting, as a representative of the Ahora/Kakandetta Pressure Group, affected customary land owners from the Oro Province and affected smallholders within the three Project areas.

The Requesters claim that oil palm development supported by the Project will cause various harms, including pollution of water and forest degradation. Further they believe that the project will limit the economic opportunities of small-holders and pressure them to produce oil palm even though they believe oil palm farming will not raise their standard of living. They claim the project is unsustainable

and ineffective, and will cause additional economic hardship by requiring growers to participate in a Road Maintenance Trust Fund (RMTF).

Taking into consideration the claims made in the Request, and the Bank Management Response, the Panel recommended an investigation into the matters raised, which was approved by the Board on March 25, 2010.

The Panel has initiated its investigation, and expects to carry out its investigation visit in early September 2010. All reports and further information are available on the IPN website by clicking [here](#).

Panel Investigations Completed

On October 20 and 22, 2009, the World Bank’s Board of Executive Directors met to discuss Management’s Action Plans and Responses to the Inspection Panel investigations of, respectively, the Santa Fe Road Infrastructure Project in Argentina and the Power Sector Generation and Restructuring Project in Albania.

The investigation into the Santa Fe Road Infrastructure Project in Argentina related to concerns regarding

the adequacy of the Project’s design, flood risk management, land expropriation and compensation, and adequacy of the communication and consultation process. Importantly, both before and during the course of the investigation, Management took steps to address the concerns of the Requesters, including in particular their concerns about the impact of the Road Project on flood risks in areas upstream of the Project.

The investigation into the

Power Sector Generation and Restructuring Project in Albania related to a number of environmental, social, cultural and economic concerns from the Project’s design and the Bank’s consultation policy requirements.

All reports and further information are available on the IPN website by clicking [here](#) for the Santa Fe Road Infrastructure Project in Argentina, and [here](#) for the Power Sector Generation and Restructuring Project in Albania.

Outreach Activities

Panel Launches New Publication at 2009 WB Annual Meeting

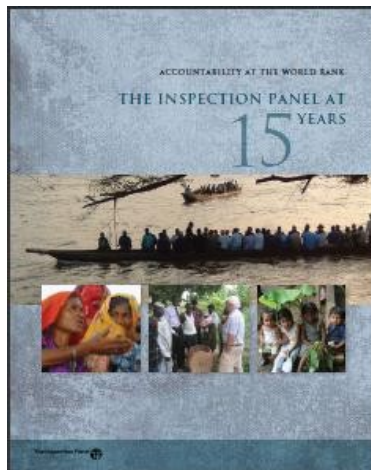
During the 2009 World Bank-IMF Annual Meetings in Istanbul, the Panel launched the English version of its newest publication **"Accountability at the World Bank: The Inspection Panel at 15 Years"**.

The book, which also features the Panel's 2008 - 2009 Annual Report, provides an extensive account of the Panel's work and experience over the past 15 years, along with an update on recent activities and developments. It includes information about the Panel's Resolution and subsequent Clarifica-

tions; reviews the Panel's history and evolution; describes the Panel process, fact-finding methods, and core principles that guide its work; and reflects on key findings, cases, outcomes of its process. The text also contains reflections and remarks on the Panel's work and themes of accountability by some very distinguished contributors. We hope this publication provides a helpful view of this work and ongoing effort.

The Panel would also particularly like to thank Dean of the Board Alexey

Kvasov for presenting keynote remarks at this launch event. A link to the event, the new publication, and these remarks is [here](#).



Bank/IMF Spring Meeting 2010

The Panel was involved in several activities during the 2010 Spring Meetings of the International Monetary Fund and the World Bank Group, on April 24-25, in Washington, DC. The Panel hosted its traditional Open House, providing an opportunity for delegates, Bank staff and civil society to visit the Panel offices, exchange ideas, and learn more about the Panel. The Panel also participated in a meeting with civil society representatives, hosted by NGOs, to provide an update on its work and continue dialogue on issues relating to the Panel and accountability. Thirdly, the Panel hosted a seminar, *"15 Years of Inspection Panel Cases: What has been learned and how can this help strengthen the World Bank's development effectiveness and accountability"*. The Seminar featured key note addresses by Giovanni Majnoni, World Bank Executive Director and the Chair of the Committee on Development Effectiveness at the Bank; Jeffrey Gutman, World Bank Vice President for Operations Policy and Country Services; Eduardo Abbott, founding Executive Secretary of the Inspection Panel; and Lori Udall, civil society representative active on issues of accountability over many years.

Mexico City Civil Society Outreach

The Panel participated in an outreach for civil society in Mexico City, on May 18-19, 2010. The event was organized in partnership with IFC/MIGA's CAO, the OPIC's Office of Accountability, and the recently established Independent Consultation and Investigation Mechanism of the Inter-American Development Bank, and was hosted by the Centro Mexicano de Derecho Ambiental (CEMDA), a leading Mexican environmental NGO. The event was attended by more than forty representatives of CSOs and government agencies.

Upcoming Outreach Activities

Meeting of Accountability Mechanisms in Tokyo and NGO Side Event

The Panel will join accountability mechanisms from other international organizations at the 7th annual meeting of such mechanisms, scheduled to be held in Tokyo on June 27-28, 2010. The meetings offer an opportunity for the mechanisms to coordinate and exchange information on experiences, challenges and best practices. The event will also be an occasion for an important outreach event with NGOs and civil society on June 29th, 2010.

Brown Bag Series

The Panel is making plans to host or co-host an occasional brown bag lunch discussion to foster informal discussions on topics relating to accountability and development. The discussions are intended to provide for a range of perspectives and expertise, and are expected to include diverse participants from both within and outside the World Bank.

The Panel in Facts and Figures

The Panel's Case record

- Formal Requests Received	67
- Requests Registered	60
- Recommendations Approved	55
- Concerns Addressed during Eligibility Phase	15
- Investigations Recommended	31
- Investigations Approved*	27

* The number of investigations is 27, however, the number of Requests leading to investigations is 30 because three investigations related to projects subject to more than one Request.

Percentage of Requests by region

- Middle East & North Africa	1.5%
- East Asia & Pacific	9%
- South Asia	19.5%
- Latin America & Caribbean	31%
- Sub-Saharan Africa:	31%
- Europe & Central Asia	8%

10 Bank Policies most often raised in Requests

1. Project Supervision
2. Environmental Assessment
3. Involuntary Resettlement
4. Indigenous Peoples
5. Disclosure of Information
6. Poverty Reduction
7. Natural Habitats
8. Economic Evaluation
9. Cultural Resources
10. Forestry

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