

April 27, 2023

Closing Memorandum

Request for Inspection

Nepal: Nepal-India Electricity Transmission and Trade Project (P115767) and its Additional Financing (P132631)

The Request

On October 18, 2021, the Inspection Panel received a Request for Inspection (the “Request”) of the Nepal-India Electricity Transmission and Trade Project (P115767) and its Additional Financing (P132631) (the “Project”). It was submitted by 49 community members (the “Requesters”) living in the Project area in Nepal. On November 17, 2021, the Panel received a letter signed by 51 community members designating an advocate from the Lawyers’ Association for Human Rights of Nepalese Indigenous Peoples to represent them. The Requesters have asked the Panel to keep their identities confidential.

The Request raises concern about the construction of a 74-kilometer-long transmission line between Bharatpur and Bardaghat, in particular its section in the Binayi Triveni Rural Municipality Ward No. 2, approximately 200 kilometers west of Kathmandu. The Requesters allege that the transmission line was rerouted and consequently passes through their densely populated community, which includes indigenous and non-indigenous residents. They claim that they were neither meaningfully consulted nor provided any information about the Project and allege that the current alignment of the transmission line causes adverse impact on community members’ homes, schools, cultural and religious sites, agricultural lands, environment and economic activities, and threatens their health and safety. The Requesters are concerned about both land acquired for the tower pads, and land affected by a 30-meter wide right of way easement along the corridor of the transmission line. The Requesters allege that during a peaceful protest in April 2021 against the excavation of a tower pad in their area, the authorities responded by deploying armed forces using tear gas and physically assaulting community members, and women, senior citizens and a toddler were wounded.

The Panel Process and the Referral to Dispute Resolution

The Panel registered the Request on November 30, 2021 and received Management’s response to the issues raised in the Request on January 14, 2022. Following a visit to Nepal in January 2022, on February 16, 2022, the Panel recommended an investigation *“into the alleged issues of harm and related non-compliance, focusing on issues of compliance with World Bank operational policies and procedures under the Project that relate to the Project’s analysis of alignment alternatives for the transmission*

*line, resettlement and alleged impact on livelihoods of vulnerable groups, including indigenous peoples, and the Project’s engagement with the affected community, including consultation, participation, information disclosure and grievance redress.”*¹

On March 3, 2022, the Board of Executive Directors (the “Board”) approved the Panel’s recommendation to investigate. Following Board approval, and in accordance with the Inspection Panel and Accountability Mechanism Resolutions,² the Accountability Mechanism Secretary (AMS) offered the opportunity for dispute resolution to the Borrower and the Requesters (the Parties).

The Dispute Resolution Process

On April 12, 2022, the AMS informed the Executive Directors, the Inspection Panel, and Bank Management that the Parties voluntarily agreed to pursue dispute resolution. The Panel thus held its compliance process in abeyance until conclusion of the dispute resolution process in accordance with the Inspection Panel and Accountability Mechanism Resolutions. On April 20, 2023, the AMS issued a Notice of Dispute Resolution Agreement (the “Notice”) stating that the dispute resolution process concluded on April 11, 2023, with a signed dispute resolution agreement. According to the Notice, the signatories have stated that the agreement is reached in full and final settlement of their dispute.

The Notice annexes an Outcome Report, which states the Parties have exercised the option to keep their agreement confidential. The Outcome Report states the Accountability Mechanism will thus treat the agreement as confidential, and it shall not be published.

The Outcome Report explains that out of the 48 signatories³ to the Request, 33 signed the dispute resolution agreement, four did not participate in the process as they had already received compensation, two did not participate and did not sign as they live abroad, and nine signatories to the Request – members of the same family – decided to leave the dispute resolution process and not sign the agreement. The Outcome Report also states that, in addition, 30 more community members joined the process and signed the agreement, bringing the total number of signatories to 63.

Closing of the Case

As per paragraph 33(b) of the Panel Resolution⁴, which states that “*if the Accountability Mechanism Secretary informs the Executive Directors that the Parties have reached agreement and signed a Dispute Resolution Agreement, the case shall be*

¹ The Inspection Panel, [Report and Recommendation on a Request for Inspection Nepal-India Electricity Transmission and Trade Project \(P115767\) and its Additional Financing \(P132631\)](#), p. 22, para. 87.

² The World Bank Inspection Panel, [Resolution No. IDA 2020-0003](#), September 8, 2020; The World Bank Accountability Mechanism, [Resolution No. IDA 2020-0004](#), September 8, 2020.

³ The Outcome Report states that the Panel registered 49 signatories to the Request and explains that one name was mentioned twice.

⁴ The World Bank Inspection Panel, [Resolution No. IDA 2020-0003](#), September 8, 2020.

considered closed”, the Panel is issuing this memorandum closing the case and takes no further action with respect to the Request.

Yours Sincerely,



Ramanie Kunanayagam
Chairperson

The Executive Directors and Alternates
International Development Association

Mr. David Malpass, President
International Development Association

Ms. Orsolya Szekely, Accountability Mechanism Secretary
The World Bank Accountability Mechanism

Requesters (confidential)

Lawyers’ Association for Human Rights of Nepalese Indigenous Peoples (Requesters’ representative)