Ibrahim Pam
Chairperson
The Inspection Panel

October 14, 2026
IPN REQUEST No. 27/03

Inspection Panel Notice of Registration
on a
Request for Inspection
India: Karnataka Water Security and Resilience Program (P506272)

Summary

1. The World Bank[1] Inspection Panel (the "Panel") received a combined Request for Inspection (the "Request") on August 19, 2026, related to the Bank-financed India: Karnataka Water Security and Resilience Program (P506272) (the "Program").[2] The Request was submitted by six Requesters from three civil society organizations (the "Requesters") from the Hulimavu Lake, Bengaluru South, Karnataka, India. These organizations are: Hulimavu Kere Tharanga (HKT) from the Halimavu lake community, the Federation of Bengaluru Lakes (FBL), a coalition of grassroots citizen groups and activists, and Mahadevapura Parisara Samrakshane Mattu Abhivrudhi Samiti (MAPSAS), a community-driven, non-profit organization. The Requesters representing these organizations stated they live in the area of the Project. The three organizations claim to represent 761 citizens from Bengaluru. The Requesters did not ask for anonymity and did not express retaliation concerns.

2. The Requesters are objecting to the proposed locations of two out of the nine Program-supported Sewage Treatment Plants (STPs), one at Saul Kere Lake and the other at Hulimavu Lake. They state that both sites are ecologically significant wetlands and claim that siting the STPs at these locations will alter the ecosystems in both lakes and damage biodiversity. The Requesters claim construction of the STPs at the proposed locations violate judicial orders, the environmental law of India, and World Bank principles. The Requesters further allege that the STPs will undermine flood mitigation and increase disaster risk. Additionally, they claim that adequate analysis of alternative locations have not been conducted or disclosed and that meaningful consultation and information disclosure have been lacking.

3. On August 26, 2026, the Panel acknowledged receiving the Request and issued a Notice of Receipt on its website, subsequently informing the Requesters and Management of its decision. Following the Notice of Receipt, the Panel team met with the Requesters and Bank Management to gather additional information about the Request. The Panel conducted its initial due diligence of the

[1] For the purposes of this Notice, the term "World Bank" or "Bank" refers to the International Bank for Reconstruction and Development (IBRD).
[2] The Inspection Panel received two Requests for Inspection in relation to the Program. The first was received on July 6, 2026, and signed by two representatives of MAPSAS Trust regarding a proposed Program related Sewage Treatment Plant (STP) to be built inside the premises of Saul Kere Lake. The second, received on July 20, 2026, and signed by two representatives from HKT concerning the construction of a second STP within the wetland area of Hulimavu Lake that is also part of the Program. As both Requests raised concerns about the Program, the Requesters provided on August 19, 2026, a combined Request to the Panel.

Request and determined that it meets the applicable admissibility criteria. Therefore, by way of this Notice of Registration, I hereby inform you that on, October 14, 2026, I have registered the Request.

The Program

4. The Karnataka Water Security and Resilience Program was approved for a Program for Results (PforR) on June 23, 2025. The Program has a total cost of US $670 million, comprising: US$ 426 million from International Bank for Reconstruction and Development (IBRD), US$ 239 million from the Government of Karnataka (GoK), and US$ 5 million from commercial financing.[3] The Implementing Agencies are Greater Bengaluru Authority (GBA), the Bangalore Water Supply and Sewerage Board (BWSSB), Karnataka State Disaster Management Authority (KSDMA) and, the Minor Irrigation & Groundwater Development Department (MI) with the Revenue Department as nodal agency. The closing date for the Program is December 31, 2030.[4]

5. The Program Development Objective of the Karnataka Water Security and Resilience Program is: "*to improve water security related municipal services, institutions, and financing in Bengaluru*."[5] According to the Program Appraisal Document (PAD) the Program will give two million people access to safely managed sanitation and provide four million people with enhanced resilience to climate risks.[6]

6. According to the PAD, Bengaluru faces significant water-security challenges because water supply, sanitation, and drainage infrastructure and services have not kept pace with rapid urbanization and exacerbating water stress. The city's cascading lake system serves as a network of balancing reservoirs during floods and droughts. This system is currently formed of 183 remaining lakes that are polluted and disconnected.[7] Bengaluru has experienced 1,167 flood events between 2013 and 2020.[8] In many areas, sewage is conveyed through the city's stormwater drains (SWDs), which at present are designed to bypass the lakes. The Government of Karnataka is currently constructing 14 sewage treatment plants (STPs) to prevent sewage from entering the SWDs and, consequently, the lakes. Nine additional STPs are still needed and are supported by the Program. These investments will also require new sewer infrastructure and the upgrading and strengthening of the existing network.[9]

7. The Program supported by the PforR operation will support a subset of Government of Karnataka initiatives on circular economy, climate adaptation, resilience and disaster risk management, to address flood and sanitation management issues in the city of Bengaluru.[10] The government program largely overlaps with the PforR Program. The PAD states that key activities under the Program would involve infrastructure relating to the construction of nine STPs, one water treatment plant, 400 km of sewers network and sewage pumping stations, retaining walls and lining of SWDs (173 km), fortifying of existing stone masonry along 80 km of storm water walls, 50 lake

[3] Program Appraisal Document for Karnataka Water Security and Resilience Program (PAD), para. 18, p. 6.
[4] PAD, i, ii.
[5] PAD, para. 14, p. 4.
[6] PAD, para. 26, p. 8.
[7] PAD, p. 2, para. 5.
[8] PAD, p. 1, para. 3.
[9] PAD, p. 2, para. 5.
[10] PAD, p. 5, para. 17.

rejuvenation activities, construction of one pumping station and pipelines for filling of 40 lakes using treated wastewater and the construction of buildings. The Program also includes institutional strengthening activities.[11]

8. The PforR supports the achievement of water security and resilience through three results areas:[12]

- *RA1: Improving infrastructure and services for enhanced water security and resilience*.[13] RA1 will focus on water, sanitation, drainage, and disaster risk management infrastructure and services to improve safely managed water supply and sanitation and enhance resilience to climate exacerbated floods and droughts. Investments, amongst others, will include drinking water treatment from an in-city lake; development of nine STPs with a combined capacity of 148 MLD (million liters per day) with revenue streams from wastewater re-use, and household sewer connections. The STPs investments will allow the city to use its lakes for flood management, and the application of wastewater reuse technology will provide resilience to drought as treated wastewater will reduce the demand for freshwater use for non-potable purposes.

- *RA2: Strengthening water security institutions*.[14] RA2 seeks to institutionalize a coordinated multi-agency approach for SWD that will develop joint operations, and maintenance implementation plans with citizen engagement and behavior change campaigns. The Program will develop and operationalize advanced flood modelling, including a digital water and environmental governance system to monitor and track indicators such as STP effluent quality, STP utilization rate, water reuse rate, household sewer connections, and a lake health index. RA2 will also operationalize a State Institute for Disaster Management.

- *RA3: Enhancing financial capabilities and resources of key institutions*.[15] RA3 seeks to strengthen the financial sustainability of Bangalore Water Supply and Sewerage Board and the Bruhat Bengaluru Mahanagara Palike (BBMP).

9. According to the PAD, The Program consists of eight disbursement linked indicators (DLIs).[16] Of the eight DLIs, two are most relevant to the Request, namely: DLI-1-Integrated flood management system strengthened, and DLI-2-Circular economy operationalized.

The Request

10. The Request was submitted by six people from three civil society organizations (the "Requesters") from Bengaluru, Karnataka, India. These organizations are HKT, FBL, and MAPSAS. The representatives of the three organizations stated that they are residents and affected community members from Bengaluru. The three organizations claim to represent 761 citizens residing around

[11] PAD, p. 20, para. 75.
[12] PAD, pp. 6-7, para. 20.
[13] PAD, p. 6, para. 21.
[14] PAD, p. 7, para. 23.
[15] PAD para. 24, p. 7.
[16] PAD para. 32, p. 9.

the lake areas. They raise the issues below in relation to the proposed locations of two of the nine new Program-supported STPs; one at Saul Kere Lake and the other at Hulimavu Lake.

11. **Allegations of adverse impacts on the environment.** The Requesters object to the proposed locations of the Program-supported STPs within Saul Kere and Hulimavu Lakes, stating that they are located in wetlands that support groundwater recharge, flood mitigation, and biodiversity. The Requesters claim that the presence and the continuous discharge of treated water from these plants will "*destroy biodiversity and alter the lakes ecological character irreversibly*." They state that the wetlands naturally filter water and provide habitat for birds and aquatic life, noting that Saul Kere, a *"protected wetland"*, hosts more than 200 migratory and resident bird species, while Hulimavu Lake hosts 168 species of bird. The Requesters also object to siting the proposed Hulimavu Lake STP within the wetland because an operational plant already exists there.

12. **Allegations of inadequate assessment of alternative sites.** The Requesters claim that feasible alternative locations outside the lake's ecologically sensitive area have not been transparently evaluated or disclosed. They claim that there is no evidence that suitable locations outside the wetlands or sites further upstream have been formally evaluated.

13. **Allegations of violation of court decisions, national laws and Bank standards.** The Requesters claim violation of lake buffer zone protections established by Judicial orders. The Requesters state that the Wetlands (Conservation and Management) Rules, of 2017, prohibit construction of permanent structures within notified wetlands. They claim that Karnataka High Court issued *"binding directions"* on July 14, 2021, reaffirming a 30-meter no development zone around Bengaluru's lakes. The Requesters also claim that the National Green Tribunal (NGT) of India directed that no construction be permitted within the buffer zone of lakes in Bengaluru.

14. The Request states that the proposed STP at Saul Kere constitutes a significant conversion of a natural habitat *"without mitigation measures"* which is contrary to the PforR Core Principle on natural habitats. The Requesters claim in the Request other core principles have been violated which they included as follows: (1) *"Environmental Assessment"* as the Program has not adequately assessed alternative locations; (2)*"Stakeholder Engagement"* as the Requesters organizations have been excluded from the consultations; (3) "*Precautionary Approach"* as no independent bathymetric and hydrological study required under the Karnataka Tank Conservation and Development Authority (KTCDA) Amendment Act of 2025 has been carried out; and (4) "*Financial Accountability*" as they claim affected citizens have not had a meaningful say in how borrowed public funds are deployed.

15. **Allegations that flood mitigation and increasing disaster risk will be undermined.** The Requesters claim that Saul Kere is a critical nature-based flood mitigation asset that absorbs excess monsoon runoff. According to the Request, the new STP will reduce the lake's storage capacity and worsen urban flooding risks in surrounding areas. The Requesters claim that Saul Kere receives the entire cascade of swollen waters during the rainy season, and that it is critical that the lake is not filled with treated water from the STP as this would lead to immediate flooding during monsoon. According to the Request, this effect would be contrary to the Program's own flood resilience objectives.

16. **Allegations of inadequate stakeholder engagement and disclosure of information.** The Requesters allege that impacted stakeholders are being systematically excluded from consultations. One of the organizations claimed that they were neither officially notified nor invited to a public consultation meeting even though they have been actively engaging with the Program implementation parties. The Requesters state that limited engagement with citizen stakeholders and independent experts holding longstanding hydrological and ecological knowledge, appears inconsistent with the participatory planning, stakeholder engagement, and monitoring framework envisaged under the Program's DLIs. The Requesters also claim that the Bank has not shared environmental and social due diligence documents, confirmed whether the Saul Kere STP site lies within the valley buffer or on the lakebed, or clarified the disposal pathway for treated water for the new Saul Kere STP.

Initial Due Diligence

17. After receiving the Request, the Panel conducted its initial due diligence and verified that the Request meets the admissibility criteria for registration.[17] The Request is not frivolous, absurd, or anonymous, and it was signed by two or more individuals, who state that they live in near to both lakes, Saul Kere and Hulimavu, and who allege likely harm associated with the construction and operation of the Program-supported STPs at the locations proposed. The Request includes several correspondences between the Requesters and Bank Management regarding the issues raised in the Request. The Requesters informed the Panel that, in their view, Management failed to respond adequately to their concerns. The Panel is therefore satisfied that the issues have been brought to the attention of the Bank prior to the submission of this Request. The Panel verified that the subject matter of the Request does not concern issues of procurement and does not pertain to any previous Request the Panel has dealt with. At the time of receipt of the Request, the Project was active.

18. As part of its initial due diligence, the Panel met with Management on September 14, 2026. Management told the Panel that untreated sewage is currently the principal threat to public and lake health in Bengaluru and that the proposed STPs represent a significant improvement over the current situation of untreated sewage discharge into the environment. They highlighted that a recent independent study found that sewage exceeds natural run-off in 30 percent of the Bengaluru lakes, rising to 62 percent in downstream lakes.

19. Management stated that lakes such as Saul Kere and Hulimavu, are in a degraded ecosystem state with untreated sewage creating nutrient-rich conditions that supports birdlife, highlighting that the lakes are not healthy ecosystems in their current conditions and these are not optimal conditions for biodiversity, adding that improved wastewater management and well-designed STPs will be enhancing long-term ecological health.

20. Management stated that construction at Hulimavu has been authorized by the local regulators. According to Management, at Saul Kere regulatory clearance for the STP is in process, but it noted that a stop-work order has been issued by the Karnataka Government which will remain in place until clearance has been obtained.

[17] The Inspection Panel Operating Procedures (November 2025), Section 2.1, Section 2.2 and para. 27.

21. Management told the Panel that the two STPs that the Requesters are concerned about will be located in government owned land that already hosts STP infrastructure and not in wetlands. Adding that no significant clearing of habitats is planned. Management added that the locations of the STPs were decided based on a technical process according to regulations and practices in Bengaluru. They stated that land availability is a driving factor for the siting decisions. According to Management, alternatives on siting, feasibility, technology and facility layout were considered and included in the Environment and Social System Assessment (ESSA).

22. Management informed the Panel that an ESSA disclosure workshop was held in December 2025, with additional consultation meetings held in April, May, and June 2026 for the Saul Kere and Hulimavu sites. Management also stated that a joint consultation meeting with stakeholders was held on August 24, 2026, and that this meeting included representatives from HKT, FBL, and MAPSAS.

Registration of the Request

23. As provided in paragraph 18 of the Resolution, "[t]*he Chairperson of the Panel shall inform the Executive Directors, the Head of DRS* [Dispute Resolution Service]*, and the President of the Bank promptly upon receiving a request for inspection*."[18] With this notice, I hereby inform you that I have, on October 14, 2026, registered the above-mentioned Request.

24. The Panel's registration implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 19 of the Resolution,[19] Bank Management shall provide the Panel within 21 business days (by November 12, 2026) with a response to the issues raised in the Request for Inspection with evidence that it has complied or intends to comply with Bank's relevant policies and procedures. Paragraphs 20 and 21 of the Resolution set out the issues on which the Management Response shall take a position.

25. After receiving the Management Response, as per the Resolution, the Panel shall "*determine whether the request meets the eligibility criteria set out in paragraphs 13 to 15* […] *and shall make a recommendation to the Executive Directors as to whether the matter should be investigated*."[20]

26. This Request has been assigned IPN Request Number 27/03.

Yours sincerely,

Ibrahim Pam
Chairperson

[18] The World Bank Accountability Mechanism: Inspection Panel and Dispute Resolution Service, Resolution No. IBRD 2025-0001, (the "Resolution"), March 7, 2025, para. 18.
[19] The Resolution, para. 19.
[20] The Resolution, para. 22.

Attachments

The Executive Directors and Alternates
International Bank for Reconstruction and Development

Mr. Ajay Banga, President
International Bank for Reconstruction and Development

Requesters