

GONZALO CASTRO DE LA MATA
Chairman
The Inspection Panel

IPN REQUEST RQ 17/01

March 13, 2017

**MEMORANDUM TO THE EXECUTIVE DIRECTORS
INTERNATIONAL DEVELOPMENT ASSOCIATION**

Request for Inspection

People's Republic of Bangladesh: Modern Food Storage Facilities Project (P120583)

Notice of Non-Registration

Summary

1. In accordance with paragraph 17 of the Resolution¹ establishing the Inspection Panel (the "Panel"), I hereby inform you that on December 8, 2016, the Panel received a Request for Inspection (the "Request") about the Modern Food Storage Facilities Project (MFSP, the "Project").
2. The Request was sent by farmers from the Project area who fear health, environmental and economic harm from the household silos to be distributed under the Project. The Panel has conducted due diligence in line with its Operating Procedures,² and learned from Management that testing is complete of the polypropylene copolymer (PPCP) prototype, a food-grade plastic to be used to manufacture the household storage silos, and it is confirmed safe for use as raw material in grain-storage silos. The Panel also notes PPCP is accepted internationally as food-grade plastic, and was used in a previous Bank-financed project in Bangladesh.
3. Given the confirmed safe status of the prototype, the acceptability of PPCP worldwide as safe technology, and the fact that such silos are successfully in use in Bangladesh, the Panel has decided not to register this Request.

¹ The World Bank Inspection Panel, International Development Association, Resolution No. IDA 93-6 (referred to as the "Resolution").

² Available at:

<http://ewebapps.worldbank.org/apps/ip/PanelMandateDocuments/2014%20Updated%20Operating%20Procedures.pdf>

The Project

4. The MFSP was approved on December 30, 2013, and is scheduled to close on June 30, 2020. The overall 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.

5. The Project has three components. Component A focuses on construction of modern grain-storage silo facilities (US\$195.0 million). This component includes: (A1) construction of up to eight public grain-storage facilities in the form of modern steel storage silos; (A2) provision of 500,000 household-level storage facilities or family silos of 70-liter dimension made from food-grade plastic, particularly in the disaster-prone areas of the coastal zone; and (A3) implementation of social and environmental management plans.

6. Component B provides support for a food planning and monitoring program (US\$25 million). This component would finance improvements in the monitoring and management of food storage/stock through a modernized system. Component C (US\$25 million) finances costs required to ensure adequate overall project management, monitoring and evaluation of the activities implemented, and capacity enhancement of selected stakeholders.

7. The total Project cost is US\$240 million, of which the total Bank support is \$210 million through IDA investment project financing. Besides the IDA credit, the Project will also be financed through a grant from the Bangladesh Climate Change Resilience Fund of US\$ 25 million and a US\$5 million beneficiary contribution. The Project has been categorized as environmental Category “B”, and has triggered OP/BP 4.01 Environmental Assessment and OP/BP 4.12 Involuntary Resettlement.

The Request

8. The Request³ is related to Component A of the Project, and was submitted by 26 farmers from the Project area who expect to be beneficiaries. The farmers have authorized a local social entrepreneur to represent them in the Panel process, and all have requested confidentiality due to a fear of retaliation. The farmers fear health, environmental and economic harm from the household silos to be distributed under the Project. They claim they will likely suffer this harm as a result of World Bank omissions with its environmental assessment policy and procedure.

9. The Requesters believe plastic silos pose health hazards and can cause cancer, particularly when exposed to high temperatures, and when grain is stored in them for a prolonged period of time. Their view is that household silos should be made from fiberglass as this is safer technology, and not from food-grade plastic. They state the Project initially envisioned using fiberglass as silo material, but this was changed to food-grade plastic without any explanation.

³ The Request is attached to this Notice as Annex 1.

10. The Request also questions the economic sustainability of household silos. In a conversation with the Panel, the Requesters' representative mentioned the possibility of cash-strapped farmers selling plastic silos as scrap, or the possibility of these being stolen. It was suggested that plastic is easier and more lucrative to sell as scrap than metal, since it is easier to recycle. They also said that since farmers are being given these silos under subsidized rates, they will make a profit if they sell them.

11. The Request raises a number of other issues pertaining to plastic silos - namely difficulty in identifying ownership during a disaster situation since silos are identical, the susceptibility of plastic silos to fire leading to grain being burned, and the lack of temperature resistance of plastic silos leading to the possibility that grain may spoil or be infested by insects.

Panel's Observations and Determination

12. The Panel issued a Notice of Receipt of the Request on its website on January 6, 2017,⁴ and in accordance with its Operating Procedures, conducted its due diligence by reviewing the information contained in the Request and Project documents. To better understand the Project and the issues raised in the Request, the Panel communicated with the Requesters' representative several times between December 2016 and February 2017.

13. The Panel met with Bank Management on February 14, 2017, and learned that household silos have not been distributed yet as the prototype silo was undergoing testing using international standards. Management also explained silo beneficiaries are not as yet known, and the heavily subsidized scheme is entirely voluntary. Moreover, Management stated that food-grade plastic is used internationally as raw material in food-storage technology.

14. Management also explained that a similar complaint had been filed with the Bank's Grievance Redress Service (GRS) in January 2016, and the GRS had closed the case in February 2016 on the grounds that the harm alleged was unsubstantiated. Management stated that the 20,000 plastic household silos distributed in 2007 in coordination with the Food and Agriculture Organization under the Bank-financed Emergency Cyclone Recovery and Reconstruction Project (P111272) are performing satisfactorily.

15. On February 27, 2017, Management provided a Status Update Memo to the Panel which elaborates on the above, and is attached to this Notice.⁵ On March 9, 2017, the Panel received from Management results of tests conducted against the American Society for Testing and Materials (ASTM) D 792, ASTM E 1252, and ASTM D 543 international standards, which found the proposed PPCP material to be safe for use as food-grade material.⁶ Management informed the Panel on March 13, 2017, that prototype testing of the household silo is complete, and that a stratified sample from every produced lot will be tested once again before delivery.

⁴ <http://ewebapps.worldbank.org/apps/ip/Pages/ViewCase.aspx?CaseId=114>

⁵ Bangladesh Modern Food Storage Facilities Project (Cr. 5265-BD), Status update (February 27, 2017), World Bank. This Status update is attached to this Notice as Annex 2.

⁶ For more about ASTM, please see: <https://www.astm.org/>

16. In light of the foregoing and in accordance with the Panel Resolution, its Clarifications, and its Operating Procedures, and given the testing results, the acceptability of PPCP worldwide as a safe technology, and the fact that similar silos are successfully in use in Bangladesh, the Panel is not registering the Request for Inspection.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "G. Castro".

Gonzalo Castro de la Mata
Chairman

Attachments

Mr. Jim Yong Kim, President
International Development Association

The Executive Directors and Alternates
International Development Association

The Requesters (Confidential)

From: [REDACTED]

Sent: Thursday, December 08, 2016 2:41 AM

To: Inspection Panel <ipanel@worldbank.org> [REDACTED]

Subject: Request to Inspection Panel for investigation of "Harm" on supply of House Hold Silos on World Bank Project ID P120583

To: Executive Secretary, the Inspection Panel
1818 H Street NW, MSN 10-1007
Washington, DC 20433
USA
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1) I [REDACTED] from Bangladesh having office at [REDACTED] Bangladesh. and mobile no [REDACTED] is an social entrepreneur working for farmers in Bangladesh. Please find attached the authority letter from the farmers and NGO authorizing me.

2) 2. We are likely to suffer, harm as a result of the World Bank's omissions in the Bangladesh Modern Food Storage Project ID 120583 located in Bangladesh..

3) Myself and farmers are likely to suffer in following respect:

- a) Plastic made House Hold silos which are not the Bins will have effect on environment .
- b) Plastic made House Hold silos which are not the bins will have health hazard particularly on high temperature and fire disaster.
- c) Plastic made House Hold Silos which are not the bins will create financial and purpose loss for farmers because plastic made silos can be scraped for recycling to make bins due to subsidized price may/will be lower than scrap value.

4/ In my opinion following World Bank Policies has not been observed:

- a) Environmental issue has not been adhered properly which can be substantiated by ESAMF report E 4179 very clearly states the use of "fiber glass" not any type of plastic. Please check the paragraph 2.4.2 which very clearly states the basic specification of it.
- b) Health Hazard due to long storage of grain in silo has not been observed.
- c) Economical sustainability for poor farmers has not been observed.
- d) Reference point of previous actions are being drawn without in depth research .

5/ I have informed/complained on the issue quite no of time. Few of them are :

- a) My mail dated [REDACTED] I raised the issue to [REDACTED]
- b) My mail dated [REDACTED] to [REDACTED] and their subsequent response mentioning that they do not see any harm though it was clearly mentioned by me .
- c) My mail dated [REDACTED] where subsequently responsibility and blames goes to WB and CCGP for approving the plastic .
- d) My mail dated [REDACTED] who puts the responsibility on PMU and PMU puts on WB and FAO and previous actions and projects.
- e) It seems from evolution of tender process that one or other kind of lobby has played its role in changing Silos into Bins and Glass Fiber into PP and then present plastic material keeping aside interest and harm of farmers.

6/ I request the Inspection Panel recommend to the World Bank's Executive Directors that an investigation of these matters be carried out..

Regards
[REDACTED]

PS: Please keep my identity confidential..

The Executive Director

We the farmers of vill: [REDACTED] Upazilla: [REDACTED] District: [REDACTED] Would like to thank [REDACTED] who informed us that a World Bank funded project is going to provide us SILO for safety of our grains. [REDACTED] visits us with NGO people to aware us on issues those are beneficial for us. Undoubtedly this is a time befitting step. But after knowing the description of the SILOs, some of the points seem to be a matter of concern for us as farmers.

1. If it is with the capacity of 40 KGs, will it not be **difficult** to carry during disaster?
2. All the SILO look same, will it not be a problem to **identify** during disaster when we stay in centers
3. As it is made of plastic only, the SILO as well as **the grain** will get burned if there is fire
4. As it is completely made of plastic it will lack **the hit** and cold resistance, it may affect the stored grain and will have the chance to be harmed by insects.
5. As the plastic has scarp value it will have a **threat** of being stolen

Thanking you

Sl #	Name of farmers	Fathers/Husband Name	National Identity Card #	Agriculture Card (Gov't) #	Address	Signature

The Executive Director

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[illegible]

Note by Inspection Panel: This Status Update was prepared by World Bank Management and provided to the Inspection Panel on February 27, 2017. The Panel is attaching this to the Notice of Non-Registration for the Bangladesh Modern Food Storage Facilities Project (P120583) as noted in Footnote 5.

Bangladesh Modern Food Storage Facilities Project (Cr. 5265-BD)

Status update (February 27, 2017)

1. *The overall development objective of the Modern Food Storage Facilities Project (MFSP) is to increase the grain reserve available to households to meet their post-disaster needs and improve the efficiency of grain storage management.* The Project will provide household-level storage facilities or family silos, particularly in the disaster-prone areas of the coastal zone.
2. *The Project is in a very early stage. No silos have been distributed and the selection of potential beneficiaries is not final.* During inception, the Project implementation agency sought feedback from potential beneficiaries, which will be taken into account when selecting the households that may obtain a silo. The beneficiary selection process is used to raise awareness regarding the use of better and safer storage of seeds and grain, including video demonstration of silo use. *Participation of beneficiary households is voluntary; no household is obliged to obtain or use a silo.*
3. *During consultations, communities expressed interest in the plastic silos* for grain storage. They also asked that such silos be anchored to secure them during disaster, and this suggestion has been accommodated in the silo design. Selected beneficiaries who elect to participate would pay a nominal price of approx. US\$1 per silo (production cost is about US\$17). Again, participation is voluntary.
4. *Household silo production has not been started yet.* The storage system design was adapted after discussions with potential manufacturers; minutes of pre-bid meetings with potential manufacturers are available. The project contains robust methods for quality assurance of the storage silos to avoid any adverse impacts. Quality control will be done by a service provider consultant, who will have the testing of raw materials and finished product undertaken by an independent laboratory, as per contract, before delivery. The production of household silos is expected to start by end March 2017.
5. Tests done by an independent laboratory, the Bangladesh University of Engineering and Technology (BUET), show that *the raw material for the household silos is food-grade plastic, environmentally friendly, chemically inert, and unlikely to have any detrimental effect on human beings or the environment.* Food storage in plastic containers is a well-established technology. The test reports and other documentation on quality control and standards are available.
6. Potential risks and impacts have been carefully analyzed in accordance with Bank policies, and adequate mitigation measures have been put in place in the project.