

THE INSPECTION PANEL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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IPN REQUEST RQ99/5

September 28, 1999

NOTICE OF REGISTRATION

***Re: Second Request for Inspection
BRAZIL: Land Reform and Poverty Alleviation Pilot Project
(Loan No. 4147BR)***

The Inspection Panel (the "Panel") on September 14, 1999 received a Request for Inspection (the "Second Request") dated and delivered to the Bank's Field Office in Brasilia, Brazil, on August 27, 1999. This is the second Request for Inspection submitted to the Panel regarding the above-referenced project. The Second Request has been signed by representatives of the same social and labor organizations that signed the original Request for Inspection dated December 21, 1998.¹ In addition, about 25 members of the Federal Senate and Chamber of Deputies, plus representatives of other social organizations, religious leaders, Federal Congressional staff and other individuals² have signed the Second Request. Although the Second Request contains substantially the same allegations about failures in the project's design and implementation and possible violations of Bank policies and procedures, the Requesters claim that the Second Request is justified by new circumstances and new evidence not known by and/or available to the Requesters at the time of the prior Request.³

The Requesters claim that they now have evidence, *inter alia*, that the terms of loans for land purchases have not been improved as indicated by the Panel in its Report⁴, that the project continues to pay inflated prices for land that could be expropriated at a lower cost (thereby increasing agricultural land prices and harming the poor) and that the bad quality of the land acquired under the project and the absence of adequate lines of credit for project beneficiaries will not allow them to cultivate the land and repay their loans. The Requesters also claim that Bank management did not provide the Panel information available to it that would have confirmed veracity of their claims.

As in the prior Request, the Requesters claim that rural workers and landless peasants signing the Request and/or represented by the Fórum Nacional Pela Reforma Agrária e Pela Justiça No Campo (The National Forum for Agrarian Reform and Justice in Rural Areas), ("the Forum") and/or its member organizations are being materially and adversely affected by the design and execution of this project and are likely to be similarly affected by follow-up loans that the Bank intends to make to support these kind of projects in Brazil.

¹ See INSP/R 99-1, 2 and 4.

² All signatories of the Second Request hereinafter called "the Requesters".

³ See paragraph 12 d) of the Board Resolution that established the Inspection Panel.

⁴ See para 22 of the Panel's Report and Recommendation dated May 27, 1999 (INSP/R 99-4)

The Requesters' allegations could constitute violations of *inter alia* the following Bank Policies and Procedures:

OD 4.15 on Poverty Reduction
OD 13.05 Project Supervision
BP 17.50 on Disclosure of Operational Information

I am notifying you that I have on September 28, 1999, which is also the date of the dispatch of this notice, registered this Request in the Inspection Panel Register. Due to the fact that the Panel's "registration" process is often misunderstood, I would like to emphasize that "registration" is an administrative procedure established by the Panel and that it implies no judgement whatsoever concerning the eligibility of the Request.

In accordance with paragraph 18 of the Resolution and paragraphs 2 and 8 of the 1999 Clarifications to the Resolution that established the Inspection Panel (the "1999 Clarifications")⁵, Bank Management has been notified that it must provide the Panel, no later than October 28, 1999, with written evidence that it has complied, or intends to comply with the Bank's relevant policies and procedures in relation to the above-referenced loan. The subject matter that Management must deal with in a response to the Request is set out in paragraph 3 and 4 of the 1999 Clarifications.

After receiving Management's response, the Panel will, as provided by paragraph 19 of the Resolution, "determine whether the Request meets the eligibility criteria set out in paragraph 12 to 14 and shall make a recommendation to the Executive Directors as to whether the matter should be investigated".

The Request has been assigned IPN Request Number RQ99/5.

Sincerely,

Jim MacNeill
Chairman

To: D. Tomás Balduino
Bispo de Goiás Velho
Presidente da Comissão Pastoral da Terra
Secretario do the Fórum Nacional Pela Reforma
Agrária e Pela Justiça No Campo

Mr. James D. Wolfensohn
President
International Development Association
Room MC12-750
[by hand against confirmation]

cc: The Executive Directors and Alternates
International Development Association

⁵ The 1999 Clarifications are contained in the "Conclusions of the Board's Second Review of the Inspection Panel" dated April 20, 1999.