

IPN REQUEST RQ07/08

October 19, 2007

NOTICE OF REGISTRATION

**Re: Request for Inspection
Argentina: Santa Fe Road Infrastructure Project (Loan No. 7429-AR)**

On September 13, 2007, the Inspection Panel (the “Panel”) received a Request for Inspection, dated September 7, 2007, related to the Argentina: Santa Fe Road Infrastructure Project (the “Project”). On September 28, 2007, the Panel received certain Clarifications to the terms of the Request for Inspection dated September 26, 2007.¹

The Request was signed by Mr. Hector E. Jullier and Ms. Ana Rosa Tizianel, residents of Franck, Province of Santa Fe, Argentina, who submitted the Request on behalf of themselves and on behalf of 10 other area residents who also signed the Request (all of them collectively referred to as the “Requesters”). The Requesters claim that they, and other area residents, are and will be directly affected by the design and implementation of the Project.² Attached to the Request are a number of documents providing background and technical information related to the concerns of the Requesters regarding compensation, highway design and alleged adverse environmental and economic impacts of the Project, together with copies of letters to and from Provincial and Federal authorities and World Bank staff. In addition, the Requesters asked the Panel to treat a letter addressed to the Panel on August 31, 2007, and attached documents³ as part of the Request for Inspection.

The objective of the Santa Fe Road Infrastructure Project “*is to improve transport conditions along a strategic road corridor that links the Province of Santa Fe with regional and international markets. Adding capacity to National Road 19, a key component of a major bi-oceanic corridor that links the PSF [Province of Santa Fe] and the Center Region with Chile and Brazil, will reduce logistics costs, facilitate access to major regional consumption*”

¹ The September 7 Request and the September 26 Clarifications are sometimes collectively called “the Request”.

² Four of the Requesters were also among the persons that signed earlier Requests that the Panel received relating to the Project.

³ These documents have also been attached to the Request for Inspection and subsequent Clarifications.

and export markets and foster effective economic integration of the Center Region provinces.”⁴

According to the Project Appraisal Document, the Project also aims at “providing institutional support to the Province of Santa Fe to achieve the following specific objectives: (a) improve road safety by implementing a pilot intervention capable of providing valuable qualitative and quantitative information to the comprehensive road safety action plan elaborated by the Province of Santa Fe in 2005; (b) identify transport infrastructure and trade facilitation constraints by setting up a system to measure logistics costs in the Province of Santa Fe; (c) reinforce the Province’s planning capacity to foster economic growth; (d) strengthen the provincial capacity to assess and manage environmental and social impacts of large civil works; and (e) create provincial capacity to monitor and evaluate large infrastructure projects.”⁵

The objectives of this Project are to be achieved, *inter alia*, through the implementation of its two main components: (1) the upgrade of National Road 19 by transforming 130 kilometers of National Road 19 running through the Province of Santa Fe into a four lane highway; and (2) institutional strengthening.⁶ The financing of the Santa Fe Road Infrastructure Project includes a Bank Loan in the amount of US\$126.7 million.⁷

The Panel received two prior requests for inspection related to the same Project. The first request was received on August 28, 2006 and a second request was received on September 21, 2006.⁸ For reasons of economy and efficiency the Panel processed them jointly and Management submitted its Response to both requests on October 18, 2006.⁹

In its Eligibility Report, dated November 16, 2006, the Panel concluded that “while the Requesters are otherwise eligible to submit a Request for Inspection, the procedural criterion of paragraph 9 (c) requiring that the Requesters have brought the ‘subject matter (...) to management’s attention and that, in the requester’s view, management has failed to respond adequately demonstrating that it has followed or is taking step’s to follow the Bank’s policies and procedures’ has not been fully met.¹⁰ Therefore the Panel cannot make a recommendation on whether to investigate the subject matter of the Request for Inspection.”¹¹ The Board of Executive Directors approved this conclusion on December 5, 2006 on a no-objection basis.

⁴ Project Appraisal Document on a proposed Loan in the amount of US \$126.7 million to the Province of Santa Fe - Argentina with the guarantee of the Argentine Republic for a Province of Santa Fe Road Infrastructure Projects, Report No. 38464-AR, dated January 9, 2007, p. 11.

⁵ Ibid.

⁶ Ibid, pg. 12.

⁷ Ibid, pg. iii.

⁸ The first Request was registered on September 11, 2006; the second Request was registered on September 27, 2006.

⁹ INSP/R2006-0007, dated November 22, 2006.

¹⁰ See also para. 13 of the Resolution establishing the Panel; Resolution No. IBRD 93-10, Resolution No. IDA 93-6, “The World Bank Inspection Panel, dated September 22, 1993 (hereinafter “the Resolution establishing the Panel”).

¹¹ Inspection Panel Request for Inspection; Argentina – Santa Fe Road Infrastructure Projects (Proposed); Inspection Panel report and Recommendation; INSP/R2006-0007, dated November 22, 2006; pg. 15, para. 64.

As was the case in the two prior requests for inspection, the Requesters believe that they “*will suffer damages as a consequence of failures or omissions by the World Bank*” in the design and supervision of the Project.¹² More specifically, they list several instances of non-compliance with Bank operational policies and related harm and losses - for which they state they have evidence - including: “*[d]iscrimination*” and “*intimidating notices*”, “*[i]nequity of the values*”, “*[r]isk of flooding*”, “*[l]ack of planning and delimitation of areas*”, and the “*[p]ossibility of future pollution and contamination*”, e.g. through the creation of “*potential space for waste dumps or undue use for human emergency settlements, or animals...*”.¹³ They also refer to problems regarding the economic and social development of their area and the lack of economic support. According to the Requesters, the works included under the Project will cause even more restrictions on “*productive processes*” and on rural activities such as dairy farms, which have practically disappeared and led to “*the extinction of dynamic activities and the exodus of the population from the zone*”.¹⁴

Moreover, the Requesters state that the Project is incompatible with the area’s hydrological situation. They believe that the “*loss of agronomic balance in the soil produces insufficient absorption and retention of rainwater...*” and claim that this will be aggravated by the spillways in the road for the passage of water, which are inadequate, and that the proposed “*new elevated carriageway will act as a contention and the culvert (north side) will operate as a collector of the ever increasing flows, which will cause problems of flooding in the neighboring fields and affect the population settlements...*”.¹⁵ In this context, the Requesters refer to the situation created by the “*flood disasters*” in December 2006 and March 2007 as well the “*increasing risk of flooding in the city of Santo Tomé*”.¹⁶

The Requesters further allege that expropriations under the Project took place on the basis of cadastre works that were done for another project in the 1970’s. They claim that this information was used for the motorway under the current Project. They believe that the use of these measurements leads to a situation in which most of the affected owners will contribute with an area that is larger, in some cases up to 15 or 20 % of what is needed for the Project. According to the Requesters, “*[t]here is also inequity in the appraisal of the fields to be expropriated, since there are differences of up to 70 % in the values proposed for adjacent fields and with the same production potential.*”¹⁷

The Requesters state they have been subject to “*[i]ntimidating communications.*” They also claim that the compensation under the Project is “*not consistent with point 36 of the previous inspection report*” and refer to the “*[e]levation of the projected layout to level +0.80*” as one of the sources of their complaint.¹⁸

¹² Request pg. 1.

¹³ Request pg. 1 and Clarifications to the terms of the Request for Inspection.

¹⁴ Clarifications to the terms of the Request for Inspection.

¹⁵ Clarifications to the terms of the Request for Inspection.

¹⁶ Clarifications to the terms of the Request for Inspection.

¹⁷ Clarifications to the terms of the Request for Inspection.

¹⁸ Request pg. 1.

The Requesters state that they have presented their complaints in person and by sending letters on several occasions including, *inter alia*, letters sent on April 3, 2007, July 19, 2007 and August 27, 2007 to the World Bank and by sending additional letters to SPIFE¹⁹. They consider the answers that they received inadequate and state that they were not offered any solutions to the problems raised by them. The Requesters also state that, as of the date of the Request, they had not received an answer to their letter sent on August 27, 2007.

As mentioned above, attached to the Request there are a number of documents describing in more detail the concerns of the Requesters about the negative environmental, economic and social impacts of the Project, including concerns regarding the design and compensation aspects of the Project.

In the letter, dated August 31, 2007, that the Requesters submitted to the Panel and that the Requesters asked to be treated as a part of the Request, the Requesters refer to their previous Requests and state that the situation of the Project has not improved and new facts have developed that support their previous concerns. They request a limitation of expropriations to 30 meters, up to kilometer 18 on the National Road 19 and the elimination of the projected elevation of the layout to “*level +0.80*”. Moreover, they request that the Project must include adequate spaces for drainage, the establishment of a parallel program that supports the absorption of left-over waters from the entire area, and the replacement of artificial drainages with natural drainages. The Requesters also ask for the application of an equitable system of compensation for all the plots acquired for the construction of the highway.

In their Request, the Requesters asked the Panel to recommend to the Board of Executive Directors of the World Bank that an investigation be conducted on the alleged matters. The Panel notes, in this regard, that it previously refrained from making a recommendation on whether to investigate the subject matter of the Request since the Requesters had not been previously in contact with the Bank as required by the Resolution.²⁰

The above claims may constitute non-compliance by the Bank with various provisions of the following operational Policies and Procedures, *inter alia*:

OP/BP 4.01	Environmental Assessment
OP/BP 4.12	Involuntary Resettlement
OP 1.00	Poverty Reduction
OP/BP 13.05	Project Supervision
World Bank Policy on Disclosure of Information	

¹⁹ Undersecretary of Investment Projects and External Financing.

²⁰ The Panel notes that since it did not make a recommendation on whether the first two requests merited an investigation it may hear this new Request. Paragraph 14 of the Resolution establishing the Panel states that the Panel cannot hear “[r]equests related to a particular matter or matters over which the Panel has already made its recommendation upon having received a prior request, unless justified by new evidence or circumstances not known at the time of the prior request” only applies to situations in which the Panel has made a recommendation on whether a Request merits an investigation.

Until further notice, all communications with the Requesters in connection with the Request will be send to Mr. Hector E. Jullier and Ms. Ana Rosa Tizianel.

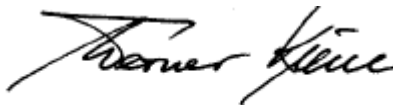
Pursuant to paragraph 17 of the Panel's Operating Procedures (the "Operating Procedures"), I am notifying you that I have, on October 19, 2007, registered this Request in the Inspection Panel Register.

In accordance with paragraph 18 of the IBRD Resolution that established the Panel, paragraphs 2 and 8 of the "1999 Clarifications,"²¹ and paragraph 18 (d) of the Operating Procedures, Bank Management must provide the Panel, no later than November 20, 2007, 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 Project. The subject matter that Management must deal with in a response to the Request is set out in paragraphs 3 and 4 of the 1999 Clarifications. Due to the fact that the Panel's "registration" process is sometimes misunderstood, I would like to emphasize that "registration" is an administrative procedure established by the Panel and that it implies no judgment whatsoever concerning the merits of the Request.

After receiving the Management response, the Panel will, as outlined in the 1999 Clarifications and as provided by paragraph 19 of the Resolution, "*determine whether the Request meets the eligibility criteria set out in paragraphs 12 to 14 [of the Resolution] 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 RQ07/08.

Yours sincerely,



Werner Kiene
Chairperson

Mr. Hector E. Jullier
2187 Belgrano Street, Franck
Province of Santa Fe
Argentina

Ms. Ana Rosa Tizianel
2187 Belgrano Street, Franck
Province of Santa Fe
Argentina

²¹ 1999 Clarifications of the Board's Second Review of the Inspection Pane; approved on April 20, 1999.

Mr. Robert B. Zoellick, President
International Bank for Reconstruction and Development

The Executive Directors and Alternates
International Bank for Reconstruction and Development