

News Release
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Board approves Inspection Panel recommendation on complaint related to the proposed Kosovo Power Project

WASHINGTON, July 11, 2012 – The World Bank Board of Executive Directors approved the Inspection Panel’s recommendation about a complaint related to the proposed Kosovo Power Project on July 6, 2012. In its recommendation, the Panel acknowledged the concerns raised by Requesters as legitimate and important from the perspective of potential future impacts of the proposed project, but did not recommend an investigation at this early stage of project preparation.

Request for Inspection. On March 29, 2012, representatives of local villages and three civil society organizations from Kosovo submitted a Request for Inspection concerning the proposed Kosovo Power Project (KPP) and the Lignite Power Technical Assistance Project (LPTAP), in which they expressed concerns about potential serious social, economic and environmental impacts, and how the already high level of environmental degradation in the project area will be addressed. The Requesters were also concerned about the potential loss of jobs related to privatization of energy generation and mining, which is likely to be a part of the proposed project.

The Panel registered the Request for Inspection on April 12, 2012. Given the IDA grant for the LPTAP closed on December 31, 2011, the Panel’s registration did not cover LPTAP.

Project background: The Government of Kosovo has requested the World Bank to provide support in the form of a partial risk guarantee for private sector investment in the construction of a new 600 MW coal-fired power plant, rehabilitation of an existing power plant, and expansion of a lignite coal mine. According to World Bank Management, the objective of World Bank financial support to the proposed project would be to reduce the environmental impact of electricity generation and strengthen security of supply in Kosovo in an economically efficient, environmentally sustainable, and a carbon-neutral manner.

Inspection Panel recommendation: The Panel carefully reviewed the Request for Inspection and the Management Response, and visited Kosovo from May 31 to June 2, 2012 to meet with relevant stakeholders and visit the proposed project site. The Panel recognizes the legitimacy and significance of the Requesters’ concerns about the potential future impacts of the proposed project, and notes that non-compliance with Bank policies, if it were to occur, could potentially contribute to the harms of the type raised in the Request and noted in the Panel report.

The Panel understands that important analytical work, such as the Environmental and Social Impact Assessment (ESIA), the Resettlement Action Plans (RAPs) for villages that may be resettled, and a proposed labor study, are yet to begin. The Panel notes also Bank Management’s explanation that it intends to ensure all analytical and relevant preparatory work will comply with Bank policies and procedures moving forward. The Panel understands that this commitment also implies ensuring that ongoing and future resettlement will be implemented in accordance with Bank policy and provisions, as laid out in the respective RAPs and land acquisition and compensation agreements with the affected households.

Taking this into consideration, the Panel's assessment is that, at this early stage in the project preparation process and prior to the start of the ESIA for the project, there are no key World Bank activities or decisions relevant to the concerns raised in the Request with respect to the proposed project that can be reviewed by the Panel as a matter of policy compliance. The Panel, therefore, did not recommend an investigation of whether the Bank has complied with its operational policies and procedures. The Panel notes that affected people will have recourse to the Panel at a later stage in the project cycle if they so wish.

About the Inspection Panel

The Inspection Panel was established by the World Bank Board of Directors in 1993 to function as an independent forum to provide accountability and recourse for communities affected by IBRD/IDA-financed projects, to address harms resulting from policy non-compliance, and to help improve development effectiveness of World Bank operations. The Panel works to promote more inclusive and sustainable development by giving project-affected people, including those who are often poor and most vulnerable, greater voice in Bank-financed projects that affect them.

The Inspection Panel process allows opportunities for solving problems and facilitating grievance redress. For details, please review the [Panel Process](#). For information on how to file a request, please click [here](#).

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For the complete Inspection Panel Report and Recommendation on the proposed Kosovo Power Project, World Bank Management Response and Request for Inspection, please follow this link:
<http://go.worldbank.org/PMU9VGKSB0>

For more information about the Inspection Panel, please visit: www.inspectionpanel.org