



The Inspection Panel

Defining the boundaries of a project: Where does Bank accountability stop? Lessons from Panel cases and beyond

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The mandate of the Panel

Respond to **complaints by people** who believe that they are suffering, or may suffer, harm caused by a World Bank-financed project

A Panel **investigation** looks at:

Bank's actions or omissions



Has the Bank followed its own **policies** and procedures in design, appraisal and implementation of the project?



Material adverse effects on the people complaining or environment



Is the alleged harm **linked to** the project supported by the Bank?

Key question: What is the boundary of the project – and its area of influence?



What does Bank policy prescribe?

Environmental Assessments evaluate “a project’s potential environmental risks and impacts in its **area of influence**”.

“The area likely to be affected by the project, including its ancillary aspects ... as well as unplanned development induced by the project”.

- Nature of impact determines **area affected**: watershed, coastal zone, off-site area for resettlement, airshed, areas used for livelihood activities, area of religious/cultural significance, etc.
- **Ancillary** aspects broaden scope of impacts: transmission lines, pipelines, tunnels, access roads, construction camps, etc.
- Impacts from **induced** development also counts: spontaneous settlement, logging, etc.



Many Panel cases where area of influence was an important issue

- Area of influence defined too narrowly
 - Serious impacts not adequately analyzed and mitigated
- Factors that were inadequately considered
 - Impacts on in areas beyond land acquisition: buffer zones
 - Certain direct impacts overlooked: traffic flow, risks of flooding
 - Associated facilities not recognized
 - Assessing an integrated system vs. discrete components: effects of induced activities “upstream” or “downstream” of component financed by the Bank not considered
 - Cumulative impacts of a range of investments



Ghana: urban environment sanitation project



Included proposed landfill at Kwabeneya to serve the greater Accra area. This site was later dropped.

- ‘Boundary’ issue investigated:
 - Need for a buffer zone to mitigate impacts from the landfill (air pollution, safety)
- Panel findings:
 - Size of buffer zone too limited
 - Impacts on people residing in the buffer zone not adequately addressed
 - Area of influence likely to extend beyond buffer zone, but extent of impacts not analyzed.



Peru: Bus rapid transport system in Lima



Building of 29 km segregated busways and related terminals. Rerouting of traffic.

- ‘Boundary’ issue investigated:
 - Resulting changes in vehicle traffic patterns
 - Impacts on historic neighborhood
- Panel findings:
 - Little attention paid to increased traffic into areas which have had lower traffic density
 - And the impacts on historical buildings and tourism



Argentina: roads upgrading - Santa Fe



Widening of regional trunk road

- 'Boundary' issue investigated:
 - Risk of flooding caused by road embankment in highly flood prone area
- Panel findings:
 - Because the land is flat there is also risk of flooding downstream of the road. This effect had not been considered within the area of influence.
 - Flood risks under different rainfall scenarios had not been analyzed.



Uganda: hydropower plant at Bujagali



250 MW plant on the Nile

downstream of existing plant at the outflow from Lake Victoria

- ‘Boundary’ issue investigated:
 - Impacts on the water level of Lake Victoria
- Panel findings:
 - Bujagali plant may effect the water release scheme from Lake Victoria
 - EA defined area of influence starting below existing plant, and risk of lowering water level in Lake Victoria not considered
 - This had occurred in recent past with serious adverse impacts to communities



Lebanon: water supply to Beirut



Construction of a water conveyance tunnels (24 km) to transport water from dam in Bekaa valley (Qaraoun)

- ‘Boundary’ issue raised:
 - Impacts on other users of water stored at Qaraoun dam.
- Panel process:
 - Issue not addressed in EIA. Area of influence defined only as the right-of-way for the tunnels
 - Management commissioned study on water availability. Concluded that in the medium term Qaraoun dam will have enough water for all users
 - Irrigation schemes using water from Qaraoun dam are under preparation



South Africa: thermal power plant (Medupi)

4,800 MW coal fired power plant and associated infrastructure

- ‘Boundary’ issue investigated:
 - Impacts from associated activities
- Panel findings:
 - EIA for Medupi did not cover associated activities authorized through separate EIA processes as per South African legislation
 - This included mining of sand for construction purposes in nearby river, and transmission lines. Requesters raised issues of serious harm in relation to these activities
 - Panel noted that more clarity is needed on what qualifies as associated/ancillary activities, also when relying on country systems





Defining boundaries of a Bank accountability

- By ‘area of influence’ – follow the impacts
 - How wide to cast the net?
 - Do we have reliable assessment methodologies and capacity?
- The precautionary principle in Bank policy – “*favor preventive measures over mitigatory or compensatory measures*” – means taking a broader rather than a narrow approach
- By following the money
 - This is increasingly more difficult



New lending instruments pose new accountability challenges – PforR

Program-for-Results (PforR)

- Disbursement of Bank funds linked to achievement of results
- PforR supports government programs which can be quite extensive: geographically, sectorwide
- PforR supports a portion of such programs. The boundaries of the ‘portion’ defines scope of environmental and social systems assessments (ESSA).



Approach involves:

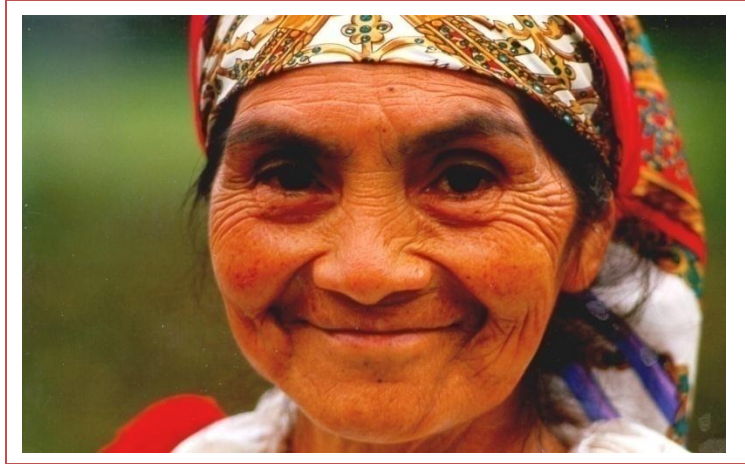
- Screening : exclude Category A-type activities
- Assessment: ESSA focuses on borrowers' systems and needs for strengthening
 - To meet core safeguard principles
 - Handling of grievances relating to environmental and social issues
- Implementation
 - Monitoring of system strengthening and impact mitigation measures
 - Disbursement-linked indicators may relate to environmental and social effects



- What happens if people complain to the Panel?
 - What determines whether there is a link between the PforR Program (Bank's portion of a government program) and issues of harm raised?
 - Is area of influence defined by government's program or Bank's portion? Is the delineation of the latter clear at the level of concrete activities? Can people know?
 - Will Management take a restrictive view or be proactive in finding solutions?
 - Not clear what may constitute important compliance thresholds under the PforR approach that may be directly linked to issues of harm people may raise.



Thank You!



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