

# THE INSPECTION PANEL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
5200  
INTERNATIONAL DEVELOPMENT ASSOCIATION

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## IPN REQUEST RQ98/2

May 15, 1998

### NOTICE OF REGISTRATION

Dear Sir:

***Re: Request for Inspection – Lesotho/South Africa: Proposed Loan for Phase 1B of Lesotho Highlands Water Project***

The Inspection Panel (the "Panel") on May 6 1998 received--through the World Bank Pouch from South Africa--a Request for Inspection (the "Request") dated April 23, 1998 and signed by some residents of the township of Alexandria, Guateng province, South Africa (the "Requesters"). The above mentioned proposed project involves the building of a dam at Mahole in Lesotho and to supply water to the Guateng province in South Africa.

The Requesters in this case wish to remain anonymous and so ask the Panel to keep their names confidential. In this instance the Panel did not receive the Request and cover letter in the sealed envelope delivered by the Requesters. The cover letter indicates that the the World Bank staff in Pretoria have obtained the names of the Requesters. It appears that the Editors of a South African newspaper which published a letter by the Requesters are aware of the Requesters identity. The Panel nevertheless will keep the Requesters names confidential, but it is not possible to guarantee that anonymity will be respected since the Panel is not the sole guardian of the information.

The Requesters claim that their rights/interests are likely to be adversely affected by omissions of the International Bank for Reconstruction and Development ("Bank") in the design of the proposed project. They allege that the Bank failed to consider demand management alternatives to phase 1B. Therefore they maintain that the project should be delayed at least until detailed demand management studies due in late 1999 have been completed. If the project is not delayed the Requesters claim they and other poor communities are likely to have to pay higher prices for water than otherwise; that those poor communities without water will still not get access to water; and, that financing for badly needed infrastructure repairs will be squeezed out resulting in shortages and lack of conservation in existing water delivery to the poor.

The Requesters further claim they are likely to be harmed as a result of alleged Bank violations of various provisions of the following Bank policies and procedures:

Operational Directive ("OD") 4.00 on Environmental Policy for Dam and Reservoir Projects

Operational Policy ("OP") 10.04 on Economic Evaluation of Investment Options.

OP 4.07 on Water Resources and Management

OD 4.15 on Poverty Reduction

I am notifying you that the Request appears to meet the criteria for registration set forth in paragraphs 17 and 22 of the Panel's Operating Procedures (the "Operating Procedures"), so I have on May 15, 1998, which is also the date of the dispatch of this notice, registered the Request in the Inspection Panel Register.

In accordance with paragraph 18 of IBRD Resolution No. 93-10 and paragraph 18(d) of the Operating Procedures, Bank Management is hereby notified that it must provide the Panel no later than June 16, 1998 with written evidence that it has complied, or intends to comply with the relevant policies and procedures in the implementation of the above-referenced project. The subject matter the Management must deal with in a response to the Request is set out in paragraph 33 of the Operating Procedures. After receiving the Management 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."

For the record, it should be noted that Bank Management has referred to the Request for Inspection—which was addressed to the Inspection Panel—in some detail in the Project Appraisal Report *before* the Panel received the Request through the World Bank pouch. The remarks at paragraph 22(g) of that document do not however address what is required in a response to the Inspection Panel. It should also be noted that under these circumstances the Panel is forwarding at this time to the Executive Directors, the text of the Request for Inspection (without cover letter).

The Request has been assigned IPN Request Number RQ98/2.

Sincerely,

Alvaro Umaña Quesada  
Chairman

Notice of Registration

May 15, 1998

TO: [The Requesters] [Mr. David Letsie]  
P.O. Box 1453  
Johannesburg  
South Africa 2000

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

cc: The Executive Directors and Alternates  
International Development Association  
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