NOTICE OF REGISTRATION

Request for Inspection

REPUBLIC OF ARMENIA: Irrigation System Enhancement Project (P127759)

Summary

1. On March 18, 2016, the Inspection Panel ("the Panel") received a Request for Inspection ("the Request") relating to the Armenia Irrigation System Enhancement Project (the "Project") sent by members of the Goght community affected by the Gegardalich Gravity Irrigation Scheme. The Requesters asked the Panel to keep their identities confidential.

2. The Project envisions the conversion of four systems, including the Gegardalich system, from pump-based irrigation to gravity irrigation. The Requesters are concerned that the Project may lead to a shortage of irrigation water for their community, which uses water from the Gegardalich reservoir. They claim that the Project’s hydrological data is incorrect and allege a lack of consultation and participation in the Project.

3. The Requesters ask for Project funding to stop until a participatory hearing is held in their community. They further request that hydrological measurements of the Karmir River be carried out by a group of international experts for at least one year and during different seasons to improve available data.

The Project

4. The Irrigation System Enhancement Project was approved by the World Bank’s Board of Executive Directors ("the Board") for an amount of $30 million (IBRD Specific Investment Loan) on May 22, 2013, and will close on June 30, 2017. The total project cost is $37.5 million. This is a Category B Project that triggered the following safeguard policies: Environmental Assessment (OP/BP 4.01); Pest Management (OP/BP 4.09); Involuntary Resettlement (OP/BP 4.12); Safety of Dams (OP/BP 4.37); and Projects on International Waterways (OP/BP 7.50).

5. The Project Development Objective relevant to this Request is “to reduce the amount of energy used and to improve the irrigation conveyance efficiency in targeted irrigation systems.”

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1 The Project Appraisal Document (PAD) assumes “savings in electricity usage resulting from [...] the conversion of pumped irrigation systems to gravity fed irrigation systems, thus eliminating pumping costs [...]”. PAD, page 24.
schemes." The relevant Project component is 1 (Irrigation System Enhancement, $33.1 million), and the subcomponent is 1.1 (Conversion of pump-based irrigation to gravity irrigation, $24.7 million). The latter finances the construction of gravity irrigation systems in four areas, one of them at the Gegardalich site.

6. At this site, the Project will replace three of the seven existing pump stations from the Azat River and reservoir and instead use a gravity irrigation system to supply water from the Gegardalich reservoir. This work includes the raising of the reservoir dam height by 1.6 meters to increase its storage volume from 2.4 million m$^3$ to 3.4 million m$^3$ and the construction of a 23-kilometer pressure pipeline and associated structures.

Concerns Raised in the Request

7. The Requesters are concerned about a shortage of irrigation water for the Goght community, which uses water from the Gegardalich reservoir. They claim that the reservoir has only been completely filled twice in the past six years. According to the Request, the Project’s hydrological data for the Karmir River, which feeds the reservoir, “do not correspond to reality,” as the Karmir River does not carry the volumes of water that are presented in Project documents and, therefore, the Project’s conversion to a gravity irrigation system cannot be successfully accomplished.

8. The Requesters also complain about a lack of consultation and participation. They claim that during public hearings on November 19, 2014, the Goght community opposed the project, but no further hearings were conducted in their community, thus violating their rights. Finally, the Requesters ask for the Project to be stopped until another participatory hearing is held, and hydrological measurements of the Karmir River are undertaken.

Initial Due Diligence

9. After receipt of the Request, the Panel conducted its initial due diligence and verified that the Request was submitted by two or more people and contains the basic information required under the Panel’s Operating Procedures. The Request includes signatures of 98 Goght community members who ask the Panel to keep their identities confidential. The Panel also confirmed that the issues have been brought to the attention of Bank staff. The Requesters had submitted a complaint to staff in the World Bank Country Office in Armenia on November 24, 2015. On December 21, 2015, the Bank responded with a letter that the Requesters found unsatisfactory.

10. The Panel verified that the Request meets the requirements for registration: (i) the Request is not frivolous, absurd or anonymous; (ii) the Project is supported by the Bank; (iii) at least one component of the Project, which is the subject of the Request, can be plausibly linked to the alleged harm; (iv) the Bank’s financing for the Project is not closed; (v) the disbursement of the Bank’s financing is less than 95 percent$^3$; (vi) the subject matter of the Request does not concern issues of procurement; and (vii) the Request is not the same as a previous Request on which the Panel has already made a recommendation.

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$^2$ The Project consists of three components: (i) Irrigation System Enhancement ($33.1 million); (ii) Management Information ($1.7 million); and (iii) Project Management and Water Users Associations’ Support ($2.7 million).

$^3$ At the time of receipt of the Request, the Project was 62 percent disbursed.
11. To better understand the Project and the issues raised in the Request, the Panel conducted a phone call with the Requesters on March 21, 2016. The Panel also met with Bank management on April 7, 2016. The Bank team explained to the Panel that they have been aware of complaints regarding the Project for about a year and were actively engaged with the community and government. Bank management informed the Panel about issues in the sector and provided an update about the current status of Project implementation.

Registration of the Request

12. As provided in paragraph 17 of the IBRD Resolution ("the Resolution") that established the Panel, "the Chairperson of the Panel shall inform the Executive Directors and the President of the Bank promptly upon receiving a request for inspection." With this notice, I am notifying you that I have, on April 26, 2016, which is also the date of this notice, registered this Request.

13. The Panel’s registration implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 18 of the Resolution, and paragraphs 2 and 8 of the "Conclusions of the Board’s Second Review of the Inspection Panel" (the 1999 Clarification), Bank management must provide the Panel within 21 business days, by May 25, 2016, a response to the issues raised in the Request for Inspection. The subject matter that management must deal with in the response to the Request is set out in paragraphs 3 and 4 of the 1999 Clarification.

14. After receiving the management response, the Panel will, as outlined in the 1999 Clarification 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 RQ 16/01.

Yours sincerely,

[Signature]

Gonzalo Castro de la Mata
Chairman

Attachments

Mr. Jim Yong Kim, President
International Bank for Reconstruction and Development

The Executive Directors and Alternates
International Bank for Reconstruction and Development

Members of the Goght community affected by the Gegardalich Gravity Irrigation Scheme (Requesters confidential)