

2023 ANNUAL REPORT

THE INSPECTION PANEL



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MESSAGE FROM THE PANEL

As Chairperson of the World Bank Inspection Panel, I am most pleased to present our latest Annual Report. This year marks the 30th anniversary of the Inspection Panel. In 1993, we became the first independent accountability mechanism within an intergovernmental organization, setting a precedent that has inspired the creation of more than two dozen similar bodies worldwide, thereby enhancing accountability and governance in international financial institutions (IFIs).

To commemorate this historic milestone we organized various events, including a day-long program at American University in Washington, DC. Co-hosted by the Panel, the University of Pretoria, and American University's Washington College of Law, the event explored the theme "Accountability: Lessons from 30 Years of the Inspection Panel and the Future of Compliance." More than 100 IFI accountability practitioners and advocates—including former Panel Members, civil society representatives, researchers, and Bank officials—contributed to insightful discussions on a wide range of theme-related topics.

During the past fiscal year we again played our vital role—that of remaining accessible to individuals and communities who believe they have been harmed or might be harmed, and who can then request the Panel to ensure that the Bank observes its policies, particularly with respect to the environmental and social aspects of projects. Notably, we investigated the India Rural Water Supply and Sanitation project, providing valuable insights for future projects, especially as the

Bank moves toward integrated multi-state and multi-sector projects in India. We also completed a case on the Uganda North Eastern Road-corridor Asset Management project, which addressed community concerns and systemic issues related to contract management, effective monitoring systems, and generic environmental and social framework documents. The lessons derived from this case are expected to promote institutional learning within the Bank. In both these cases, the voices of the affected communities spoke through our reports, and comprehensive Management Action Plans were prepared by Management and approved by the World Bank's Board of Executive Directors.

This fiscal year we released our eighth Advisory Report, in two volumes, addressing land issues. It focused on land administration and management projects and resource property rights in forested areas.

Transparency remains a priority: hence our reports and activities are accessible online through our website and social media accounts. Nevertheless, we recognize the grave risks faced by so many who seek justice through us; in 81 percent of all cases Requesters asked for confidentiality, and more than half our cases in the past three fiscal years cited intimidation or fear of reprisals.

We are thankful for the support of stakeholders, such as affected individuals, Bank Management, staff, and the Board of Directors—including the Chair and Co-Chair of the Committee on Development Effectiveness. Their collaboration enables us to fulfill our independent oversight role successfully and, through our work, to help effect remedies for Requesters. As the Panel celebrates its 30th year, we reaffirm our commitment to accountability, transparency, and learning within the World Bank Group. We hope this Fiscal Year 2023 Report provides valuable insights, and we welcome any feedback that can improve our work.

Ramanie Kunanayagam, Chairperson
Mark Goldsmith
Ibrahim Pam

June 30, 2023

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I.

ABOUT THE INSPECTION PANEL



THE INSPECTION PANEL

The Inspection Panel is an impartial, fact-finding, complaints mechanism that is independent of World Bank Management and that reports directly to the World Bank's Board of Executive Directors. The Board created it in 1993 to offer people and communities access to a neutral body should they wish to raise concerns about—or seek recourse for harm caused by a World Bank-funded project. The Panel's process promotes accountability at the Bank, gives affected people a greater voice in World Bank-supported activities that affect their rights and interests, and provides redress when warranted.

STRUCTURE OF THE INSPECTION PANEL AND ITS TEAM

The Inspection Panel consists of three members appointed by the Board for five-year, non-renewable terms. Members are selected for their ability to deal thoroughly and fairly with the complaints brought to them, their integrity and independence from Bank Management, and their familiarity with developmental issues and living conditions in developing countries. The Inspection Panel is assisted by dedicated staff who provide operational and administrative support. For its fact-finding and investigations, the Panel also engages independent, internationally recognized experts to ensure objective and professional assessment of the issues under review.

In September 2020, the Board established the Accountability Mechanism (AM) and the Dispute Resolution Service (DRS). The Board also amended the Inspection Panel's Resolution to incorporate the DRS process. Inspection Panel members coordinate with the AM Secretary and DRS on casework and wider accountability initiatives such as outreach and events.

WHAT DOES THE INSPECTION PANEL DO?

The Panel is mandated to review projects funded by the World Bank through the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). In response to complaints from project-affected individuals or groups, the Panel assesses allegations of harm to people, communities, or the environment and reviews whether the Bank has followed its operational policies and procedures.

This assessment often involves issues such as:

- Adverse effects on people and livelihoods due to displacement and resettlement related to infrastructure projects—including the construction of hydroelectric dams, roads and pipelines, the development of mines, and the management of landfills,
- Risks to people and the environment related to dam safety, the use of pesticides, and other indirect effects of World Bank investments,

- Risks to Indigenous Peoples, their culture, traditions, land tenure, and development rights,
- Adverse effects on physical cultural heritage, including sacred places, and
- Harm to natural habitats, including protected areas such as wetlands, forests, and water bodies.

The Panel also provides advisory services through various reports and publications on lessons emerging from its cases. Furthermore, Panel staff organize and participate in outreach activities, seminars, and other events to disseminate information about the Panel, its mandate, and work.



II. CASE SUMMARY



During Fiscal Year 2023 (July 1, 2022-June 30, 2023), the Inspection Panel received seven new Requests for Inspection:

1. **India:** Vishnugad Pipalkoti Hydro Electric Project – Third Request for Inspection,
2. **Tanzania:** Resilient Natural Resource Management for Tourism and Growth,
3. **Benin, Western Africa:** West Africa Coastal Areas Resilience Investment Project, and Global Environmental Facility (GEF),
4. **Egypt, Arab Republic of:** Sustainable Rural Sanitation Services Program for Results and its Additional Financing,
5. **Lebanon:** Greater Beirut Water Supply Project and its Additional Financing, and Water Supply Augmentation Project,
6. **Viet Nam:** Vietnam Coastal Cities Sustainable Environment Project, and
7. **Tanzania:** Resilient Natural Resource Management for Tourism and Growth.

Two cases had been recommended for investigation and remain with dispute resolution—Uganda: Second Kampala Institutional and Infrastructure Development Project, and Cameroon: Nachtigal Hydropower Project and Hydropower Development on the Sanaga River Technical Assistance Project. The Panel conducted an eligibility assessment of India: Vishnugad Pipalkoti Hydro Electric Project – Third Request for Inspection and did not recommend an investigation.

The Panel registered and issued a Notice of Receipt for the Request for Inspection of Tanzania: Resilient Natural Resource Management for Tourism and Growth. However, the Panel did not register Benin, Western Africa: West Africa Coastal Areas Resilience Investment Project, and Global Environmental Facility (GEF), Egypt, Arab Republic of: Sustainable Rural Sanitation Services Program for Results and its Additional Financing, Lebanon: Greater Beirut Water Supply Project and its Additional Financing, and Water Supply Augmentation Project, and Viet Nam: Vietnam Coastal Cities Sustainable Environment Project.

During this fiscal year the Panel continued investigating Bolivia: Santa Cruz Road Corridor Connector Project (San Ignacio–San José), and completed three more investigations—Togo, Western Africa: West Africa Coastal Areas Resilience Investment Project, Additional Financing, and Global Environment Facility (GEF), Uganda: North Eastern Road-corridor Asset Management Project, and India: Rural Water Supply and Sanitation Project for Low-Income States. The Panel also closed Nepal: Nepal-India Electricity Transmission and Trade Project and its Additional Financing—in which a dispute resolution agreement had been reached between the Requesters and the Borrower.

The following section summarizes the above cases. [More detailed information on all of them can be found on the Inspection Panel website.](#)

III.

CASE UPDATES



01.

REGISTRATION

The Panel received seven Requests for Inspection during Fiscal Year 2023. The Request relating to the REGROW project in Tanzania was found admissible and registered through a Notice of Registration, while four Requests about projects in Benin, Egypt, Lebanon, and Viet Nam did not satisfy the technical admissibility criteria and were not registered. The Requests relating to a project in India proceeded to the eligibility stage and the one relating to a project in Bolivia proceeded to investigation, both of which are discussed in the next sections of the Report.

A. REGISTERED

TANZANIA
RESILIENT NATURAL RESOURCE MANAGEMENT FOR TOURISM AND GROWTH

PROJECT INFORMATION

Project No.	P150523
Region	Eastern and Southern Africa
IDA Credit Amount	US\$150 million
Board Approval Date	September 28, 2017
Closing Date	February 28, 2025

The project development objective is to improve management of natural resources and tourism assets in priority areas of Southern Tanzania and to increase access to alternative livelihood activities for targeted communities.

THE REQUEST

On June 20, 2023, two individuals from Tanzania submitted a Request for Inspection. The Requesters asked the Panel to keep their identities confidential due to fear of retaliation. They asked the Oakland Institute to advise them during the Panel process.

The Requesters alleged that this Bank-financed Project did not follow several World Bank policies and procedures. With respect to involuntary resettlement, the Requesters alleged communities residing in five villages located inside the boundaries of the Ruaha National Park (RUNAPA)—more than 21,000 people—were notified that they would be evicted, and that in this context they faced violence, retaliation, and threats of retaliation that created constant fear among affected persons. The Requesters claimed that over the past two years large numbers of their cattle had

been seized, thus harming pastoral livelihoods, in particular those of several Indigenous People groups—including Maasai, Sukuma, and Datoga pastoralists—who inhabit the Project area. They claimed the Bank had failed to apply its Indigenous Peoples Policy, causing irreparable damage to the identity, culture, and rights of the indigenous communities in the Project area, and furthermore that no free, prior, and informed consultations had been conducted with the affected indigenous communities there.

During this fiscal year, the Panel was reviewing the technical admissibility of the Request.



B. NOT REGISTERED

PROJECT	REASON FOR NOT REGISTERING THE REQUEST
1. Benin, Western Africa: West Africa Coastal Areas Resilience Investment Project, and Global Environment Facility (GEF)	The Panel determined that Management lacked a reasonable opportunity to respond to the Requesters' concerns before submission of the Request for Inspection.
2. Egypt, Arab Republic of: Sustainable Rural Sanitation Services Program for Results and its Additional Financing	The Panel found no plausible link between the harm alleged in the Request and the Project. Furthermore, the Panel noted that Management was making significant, ongoing efforts to address the Requesters' concerns.
3. Lebanon: Greater Beirut Water Supply Project and its Additional Financing, and Water Supply Augmentation Project	The Panel confirmed that the harm alleged in the Request related to the Augmentation Project. However, when the Panel received the Request, the Augmentation Project was 100% disbursed; hence, the Request was inadmissible.
4. Viet Nam: Vietnam Coastal Cities Sustainable Environment Project	The Panel determined that Management lacked a reasonable opportunity to respond to particular concerns raised in the Request. Furthermore, given the change in the scope of land acquisition and resettlement, the Panel determined that the Requesters were no longer affected by the Project's resettlement valuation and compensation process.

02.

ELIGIBILITY

During Fiscal Year 2023, the Panel assessed the eligibility of three Requests relating to projects in Cameroon, Uganda, and India. The Requests relating to the projects in Cameroon and Uganda were recommended for investigation and are currently under dispute resolution; the Request relating to a project in India was determined to be eligible but was not recommended for investigation. Furthermore, the dispute resolution process concerning a project in Nepal, which the Panel had previously assessed as eligible, reached agreement; therefore, the Panel issued a closing memorandum.

A. INVESTIGATION RECOMMENDED – CURRENTLY UNDER DISPUTE RESOLUTION

UGANDA

SECOND KAMPALA INSTITUTIONAL AND INFRASTRUCTURE DEVELOPMENT PROJECT

PROJECT INFORMATION

Project No.	P133590
Region	Eastern and Southern Africa
IDA Credit Amount	US\$175 million
Board Approval Date	March 20, 2014
Closing Date	May 31, 2023

The project development objective is enhanced infrastructure and institutional capacity of the Kampala Capital City Authority (KCCA) to improve urban mobility in Kampala.

THE REQUEST

On June 17, 2021, Witness Radio Uganda (WRU)—a non-profit, non-partisan, registered advocacy organization for the protection and promotion of human rights in development—submitted a Request for Inspection on behalf of 24 community members and representatives living in the Project area. The Requesters authorized WRU to represent them and asked the Panel to keep their identities confidential. Accountability Counsel—a legal, non-profit organization that seeks to protect the human rights and environments of communities around the world—supported this Request. The Panel received additional signatures from seven local council leaders joining the Request.

The Requesters raised concerns about works on the Lubigi Primary Drainage Channel. They alleged that the Project's resettlement and compensation program failed to include their community. They claimed that during the reduced supervision imposed by the COVID-19 lockdown, Project authorities forcibly attempted to evict project-affected persons (PAPs) without compensation and in violation of the Bank's safeguard policies. According to the Request, following interventions from PAP advocates and the local council, the Requesters were hastily resettled without due process and in a threatening and coercive manner. The Requesters said they were willing to move but required fair and adequate compensation and resettlement assistance to sustain their livelihoods. The Request said the Project caused the loss and disturbance of family remains and burial sites, risked food shortages, increased school dropouts, and adversely affected the safety and welfare of children and women. The Requesters also complained about inadequate disclosure of information, the absence of meaningful consultation and participation, and the failure to establish an adequate grievance redress mechanism (GRM).

The Requesters claimed that several problems arising from the First Kampala Institutional and Infrastructure Development Project (KIIDP-1) were never addressed, including damage to structures and crops taken by force, increased flooding, and health and safety issues. They said that although community members had been told issues left unaddressed under KIIDP-1 would be resolved under the Second Kampala Institutional and Infrastructure Development Project (KIIDP-2), this did not happen.

The Requesters contended that the harm caused to them had been exacerbated by the Kampala Northern Bypass Highway Project and the Lubigi Sewage Treatment Plant—both funded by other financial institutions—which they alleged also forcibly displaced residents. The Panel issued a Notice of Receipt for the Request on July 2, 2021, and registered the Request on July 26, 2021.

MANAGEMENT RESPONSE

Management provided its Response on August 24, 2021, stating it had carefully reviewed the allegations raised in the Request and claiming that most were being addressed by the Project Implementation Unit as part of its regular implementation activities.

Regarding the alleged exclusion of community members from the Project's resettlement and compensation program, the Response explained that the Kawaala–Hoima Section is in an officially designated wetland area that had been uninhabited and unused by nearby communities when the 2017 Resettlement Action Plan (RAP) was prepared. The PAPs who subsequently moved into the Project area were therefore not identified as part of the resettlement process. However, a Supplementary RAP being prepared would include these new communities in the resettlement program. Management believed this Supplementary RAP would preserve community relations, avoid potentially lengthy legal procedures, and ensure smooth Project implementation. The Response claimed the resettlement process was comprehensive and covered all PAPs, including absentee landlords. Management stated that, contrary to the Requesters' allegations, the Supplementary RAP process was not rushed, and its timing reflected a deliberative and professional approach commensurate with the geographic scope of the affected area and the number of people potentially affected.

Management said no eviction notices had been issued in connection with the Project, and that the Project had never used police against the affected community. While Management held that community engagement so far had been consistent with Bank policy, it recognized that outreach and consultations should be improved, particularly given the confusion caused by non-

Bank-financed activities in the Project area, the fact that some PAPs had been omitted from the Project's original engagement, and the limitations imposed by COVID-19 on public gatherings. The Response added that the Project had a grievance redress process and a three-level Grievance Redress Committee with clear appeal procedures.

The Management Response noted that the Northern Bypass Highway Project and the Lubigi Sewage Treatment Plant were not supported by the Bank and were not needed to achieve the objectives of KIIDP-2. The Response explained that the Environmental and Social Impact Assessment for priority drainage systems for Kampala, which included the Lubigi channel, had considered the impact of such projects, including the cumulative risks of flooding. The Response concluded by committing to work with the KCCA to strengthen RAP implementation, which Management believed would address the Request's key concerns.



PANEL RECOMMENDATION / BOARD APPROVAL / REFERRAL TO DISPUTE RESOLUTION

Due to COVID-19 travel restrictions, the Panel could not conduct a field visit during its eligibility assessment. Instead the Panel adopted a virtual format to gather information for its recommendation, conducted virtual meetings with the Bank's Project team, the Ministry of Finance, Planning and Economic Development, the Ministry of Gender, Labour and Social Development, the KCCA, and the National Environment Management Authority. The Panel also met virtually with the Requesters, their representatives, and other affected community members.

In its October 4, 2021 Report and Recommendation to the Board, the Panel recommended an investigation. The Panel recognized that Management was moving to address some of the alleged harm. However, the Panel noted the conflicting assertions between the Requesters and Management as to whether the Project caused the harm the Requesters claimed they had suffered or were likely to suffer and whether the Bank had violated its operational policies and procedures. The Panel further noted that these assertions and the Bank's compliance with applicable policies and procedures could only be determined through an investigation.

The Board approved the Panel's recommendation on October 20, 2021.

DISPUTE RESOLUTION PROCESS

As per the Inspection Panel and Accountability Mechanism resolutions, following the Board's approval of the Panel's recommendation, on October 21, 2021, the Accountability Mechanism Secretary (AM Secretary) offered the Requesters and Borrower (the Parties) the opportunity

to pursue a dispute resolution process facilitated by the Dispute Resolution Service (DRS). In accordance with AM procedures, the Parties were given 30 days to decide whether to opt for dispute resolution. The Parties accepted the offer, marking the start of the dispute resolution process. On December 2, 2022, at the request of both Parties, the AM Secretary issued a six-month extension of the mediation process. On May 31, 2023, the Parties signed a Dispute Resolution Agreement, which the signatories agreed to keep confidential. At the Parties' request, the DRS is monitoring the implementation of the commitments undertaken as part of the mediation agreement.

PANEL CLOSING MEMORANDUM

Following the voluntary agreement between the Parties to pursue dispute resolution, the Panel held its compliance investigation process in abeyance until conclusion of the dispute resolution process in accordance with the Inspection Panel and Accountability Mechanism resolutions.

On May 31, 2023, the AM Secretary issued a Notice of Dispute Resolution Agreement stating that the dispute resolution process had concluded, with a signed Dispute Resolution Agreement between the Parties. According to the notice, the signatories have stated that the agreement was reached in full and final settlement of their dispute. It added that the signatories agreed to keep the details of the settlement confidential. The notice annexes an Outcome Report, which states that 15 elected community representatives and more than 100 other community members signed the final agreement. As per the Panel Resolution, when the AM Secretary informs the Executive Directors that the Parties have reached agreement and signed a Dispute Resolution Agreement, the case shall be considered closed, and the Panel issues a memorandum closing the case and takes no further action with respect to the Request.

On June 5, 2023, given that the Parties had reached an agreement through dispute resolution, the Panel issued a memorandum closing the case and took no further action.

CAMEROON NACHTIGAL HYDROPOWER PROJECT

PROJECT INFORMATION

Project No.	P157734
Region	Western and Central Africa
IDA Credit Amount	US\$550 million
Board Approval Date	July 19, 2018
Closing Date	June 30, 2024

The project development objective is to increase the availability of renewable energy power and leverage private finance for the Nachtigal Hydropower Project.

CAMEROON
HYDROPOWER DEVELOPMENT ON THE SANAGA RIVER TECHNICAL ASSISTANCE PROJECT

PROJECT INFORMATION

Project No.	P157733
Region	Western and Central Africa
IDA Credit Amount	US\$26.3 million
Board Approval Date	May 11, 2017
Closing Date	January 31, 2025

The project development objective is to improve the Recipient’s institutional capacity for sustainable development of hydroelectric resources on the Sanaga River Basin.

THE REQUEST

The Request for Inspection was submitted on June 30, 2022, by two community members living in the Project area in Cameroon. On July 18, 2022, an additional 99 Requesters from communities and socio-professional organizations in the Project area authorized IFI Synergy—a coalition of local civil society organizations, including Green Development Advocates, which serves as their secretariat—to represent them. The Requesters asked the Panel to keep their identities confidential. “Both ENDS,” a Dutch non-governmental organization (NGO), supported the Request.

The Requesters alleged they had suffered or were likely to suffer harm from two World Bank-supported projects—the Nachtigal Hydropower Project and the Hydropower Development on the Sanaga River Technical Assistance Project. They claimed these projects did not comply with World Bank policies and procedures and had harmed or could harm their communities’ means of subsistence, education, health, and nutrition. The Requesters alleged a lack of meaningful consultation; inadequate resettlement measures relating to both physical and economic displacement; loss of income-generating activities for fisherfolk, sand-miners, and fishmongers; untimely and inadequate compensation for land and crops; reduced accessibility to agricultural land; inadequate housing; destruction of sacred sites; loss of medicinal plants and water resources used for healing and rituals, and environmental damage. They also complained that Project activities were increasing social harm in their community—including theft, juvenile delinquency, commercial sex work, marital conflicts, and divorces.

MANAGEMENT RESPONSE

In its Response, Management explained it had known of the Requesters’ allegations and that the project implementing agency, the Nachtigal Hydropower Company (NHPC), was addressing them. Management noted that the risks and impacts described in the Request were not uncommon for a project of this scale, that it had anticipated them, and had prepared several Environmental Assessment instruments to deal with them. To address additional environmental and social issues identified during supervision, NHPC had committed to a binding Supplementary Corrective Action Plan with timebound actions. The Project used an adaptive management approach based on

comprehensive monitoring and corrective actions. Management acknowledged that mitigation and compensation measures had experienced some delays, but it claimed these measures were being implemented with comprehensive stakeholder input and supervision by the Project's financing agencies. Management noted that Project progress had been affected by the need for additional consultations, the longer-than-anticipated development of Individual Livelihood Restoration Plans (ILRPs), and work delays due to COVID-19-imposed restrictions and a shortage of high-quality cement. Management also explained that the Sanaga River Technical Assistance Project included no physical investments other than some meteorological equipment, and that it was only financing studies and panels of experts.



PANEL RECOMMENDATION / BOARD APPROVAL / REFERRAL TO DISPUTE RESOLUTION

A Panel team visited Cameroon August 26–September 7, 2022, to inform its eligibility assessment. In its September 27, 2022 Eligibility Report for the Board, the Panel noted the strong support for the Project by all stakeholders, including the Requesters, and their unanimous view of the Project's benefits for the community at large. The Panel recognized the steps that Management was taking to address some of the alleged harm, and that the Lenders had hired an independent environmental and social consultant to advise NHPC on actions to implement. The Panel noted that the Lenders had asked a separate consultancy tasked with undertaking the annual evaluation of the Resettlement Action Plan and Livelihood Restoration Plan to increase their sample to include all categories of project-affected persons (PAPs). The Panel understood that several fisheries studies and a strategic environmental and social assessment for the Sanaga River basin were underway to learn basin-wide cumulative impact.

The Panel noted that, despite the extensive measures undertaken by the Project, significant numbers of fisherfolk and sand-miners in several villages consistently alleged harm relating to lost livelihoods, compensation, and livelihood restoration. The Panel also noted the policy requirement to compensate PAPs prior to the onset of a Project’s impact, but could not determine whether the compensation provided had, in fact, been timely. While the Panel understood that the Project viewed the compensation package as including both transitional support and capital for livelihood investment, it was unclear to the Panel and the PAPs what portion of that compensation was intended to support households transitioning to new activities and what portion served as investment capital for new, income-generating activities. The Panel noted with concern that nearly everyone it encountered who had implemented ILRPs claimed their projects had failed. The Panel also noted that several PAPs said they had no or limited contact with the NGO engaged to help develop and implement the ILRPs. The Panel was not convinced the NGO had sufficient capacity to provide the required level of technical support to all those needing it. Many fisherfolk and sand-miners contended that the measures established by the Project could not restore their livelihoods. Based on its observations and review, the Panel recommended an investigation into the alleged harm and related non-compliance with the World Bank’s Performance Standards for Private Sector Activities (OP/BP 4.03). The Board approved the Panel’s Recommendation on October 19, 2022.

DISPUTE RESOLUTION PROCESS

As per the Inspection Panel and Accountability Mechanism resolutions, following the Board’s approval of the Panel’s recommendation, on October 26, 2022, the Accountability Mechanism Secretary (AM Secretary) offered the Requesters and Borrower (the Parties) the opportunity to pursue a dispute resolution process facilitated by the Dispute Resolution Service. In accordance with AM procedures, the Parties were given 30 days to decide whether to opt for dispute resolution. The Parties accepted the offer, and this was reported to the Board, Panel, and Bank Management on December 1, 2022, marking the start of the dispute resolution process. This process was underway by the end of fiscal year.

B. INVESTIGATION NOT RECOMMENDED

INDIA

VISHNUGAD PIPALKOTI HYDRO ELECTRIC PROJECT – THIRD REQUEST FOR INSPECTION

PROJECT INFORMATION

Project No.	P096124
Region	South Asia
IDA Credit Amount	US\$648 million
Board Approval Date	June 30, 2011
Closing Date	June 30, 2023

The project development objectives are (a) to increase the supply of electricity to India’s national grid by adding renewable, low-carbon energy and (b) to strengthen the institutional capacity of India Limited (THDC) with respect to the preparation and implementation of economically, environmentally, and socially sustainable hydropower projects.

THE REQUEST

The Request for Inspection was submitted on July 12, 2022, by 83 community members living in the Project area in Chamoli, Uttarakhand, India. The Requesters asked the Panel to keep their identities confidential and authorized three representatives from India to represent them during the Panel process.

The Requesters claimed they had suffered or could suffer harm from the Bank-financed Vishnugad Pipalkoti Hydro Electric Project (VPHEP) due to its alleged non-compliance with the Bank's safeguard policies on Physical Cultural Resources (OP/BP 4.11), Involuntary Resettlement (OP/BP 4.12), Environmental Assessment (OP/BP 4.01), and Safety of Dams (OP 4.37). The Requesters claimed that Project-related muck-dumping had damaged their physical cultural resources and complained that the Project had not explored alternative dumping sites. The Requesters alleged the resettlement of Haat village households had caused loss of livelihoods and claimed that the grievances of the affected community members had not been heard. Furthermore, they feared they would lose a reliable supply of fresh water and questioned the safety of the dam once constructed.

The Panel had previously received two Requests for Inspection for this Project. The first arrived on July 23, 2012, and the second on March 1, 2022. The Panel produced an Investigation Report on the first Request on July 1, 2014. It issued a Notice of Non-Registration concerning the second Request on April 20, 2022. The Panel noted that this third Request presented new evidence and described new circumstances relating to (i) physical cultural resources and allegations that muck-dumping threatened the stability and existence of the Lakshmi Narayan Temple, (ii) the worsening economic conditions of community members, and (iii) community members' limited accessibility to water. The Panel noted the Requesters' claim that they had not been heard on these issues. The Panel registered the Request on August 19, 2022.



PANEL RECOMMENDATION / BOARD APPROVAL

A Panel team visited India in October 2022 to inform its Eligibility Report and Recommendation. The team met with Bank staff and Government officials in New Delhi and Dehradun and traveled to Haat and the neighboring villages—the Project area of this Request. The team spent a day-and-a-half with the community in Haat and their resettled locations in Daswana, Eldana, Mayapur, and the Scheduled Tribe colony, and spoke to approximately 100 people. The team also met with VPHEP officials and completed a site visit with them.

Although the Request met the technical eligibility criteria set forth in the Panel Resolution, the Panel determined that the Project caused no harm to the Lakshmi Narayan Temple complex. The Panel noted the strong commitments by the Project and Management to preserve the complex. The Panel also noted that some community members incorrectly equated “permanent job” with “livelihood restoration.” The Panel believed that household-level economic losses were not supported by the data in the end-term resettlement evaluation report that concluded in 2019 and that several external factors may have influenced the alleged losses in the three years since that report. The Panel determined that the alleged losses could not be linked to the Project. The Panel noted that the community chose where to relocate, and that water was being supplied to Daswana and Eldana. The Panel also noted that the Project and Management recognized the water supply shortcomings and had committed to addressing them. The Panel considered the current GRM to be a Project weakness. However, Management and the Project had acknowledged this and committed to address it. For these reasons, the Panel recommended no investigation into the matters raised in the Third Request for Inspection. The Board of Executive Directors approved this recommendation on November 4, 2022.

C. DISPUTE RESOLUTION COMPLETED

NEPAL
NEPAL-INDIA ELECTRICITY TRANSMISSION AND TRADE PROJECT AND ITS
ADDITIONAL FINANCING

PROJECT INFORMATION

Project Nos.	P115767, P132631
Region	South Asia
IDA Credit Amount	US\$115.32 million
Board Approval Date	June 21, 2011
Closing Date	October 31, 2021

The project development objectives are to (a) establish cross-border transmission capacity between India and Nepal of about 1,000 megawatts (MW) to facilitate electricity trade between the two countries, and (b) increase the supply of electricity in Nepal by the sustainable import of at least 100 MW.

THE REQUEST

The Request for Inspection was submitted on October 18, 2021, by 49 community members living in the Project area in Nepal. On November 17, 2021, the Panel received a letter signed by 51 community members designating an advocate from the Lawyers' Association for Human Rights of Nepalese Indigenous Peoples to represent them. The Requesters asked the Panel to keep their identities confidential. On November 30, 2021, the Panel registered the Request.

The Request related to the construction of a Project-financed, 74-kilometer-long transmission line between Bharatpur in India and Bardaghat in Nepal—in particular the section in Binayi Triveni Rural Municipality Ward No. 2, approximately 200 kilometers west of Kathmandu. The Requesters alleged that the transmission line had been rerouted to pass through their densely populated community of indigenous and non-indigenous residents. They claimed they were neither meaningfully consulted nor provided any information about the Project and alleged that the line's alignment adversely affected homes, schools, cultural and religious sites, agricultural lands, the environment, and economic activities, and threatened their health and safety. The Requesters were concerned about land acquired for the tower pads and a 30-meter-wide right-of-way (ROW) easement along the transmission line corridor. The Requesters contended that the proposed transmission line would adversely affect their ability to maintain and improve their livelihoods and would prevent them from using land within the ROW as collateral for loans. The Requesters also claimed they had been unaware of a functioning grievance redress committee to which they could address their complaints. They alleged instances of violence and retaliation in response to a peaceful protest opposing Project works, claiming authorities had deployed armed forces that used tear gas and physically assaulted community members, injuring women, seniors, and a toddler.

MANAGEMENT RESPONSE

Management explained that the planning and original alignment of the Bharatpur–Bardaghat transmission line began more than 20 years ago and that many of the problems and conflicts raised in the Request were legacy issues. Management stated that it had been aware of these concerns well before the Request was submitted to the Panel and had worked with the Nepal Electricity Authority (NEA) to help address them. The Response noted that due to various factors – such as a delay in obtaining forest clearances, disagreements between the Contractor and NEA, the political situation, and disputes with local landowners—the transmission line was incomplete when the Project closed on October 31, 2021. Management stated that the disputes were the subject of a court case filed by landowners in April 2021 that led to an interim injunction that had halted tower construction pending the court's review and decision. According to Management, it was unclear when the court would decide the matter.

Management noted that the Bank had repeatedly asked NEA to seek an amicable resolution to the disputes, and that NEA had complied with the Bank's request and refrained from using eminent domain to acquire the land without first trying to reach such an agreement. Management also noted that NEA intended to continue negotiating a compensation package with the affected landowners pending the outcome of the court case. The Response noted that the Bank had agreed on an action plan with NEA to address finalization and implementation of the Resettlement Action Plan (RAP) and to implement a communications plan. Management explained that this action plan—the "Post-Closure Safeguards Rectification Measures"—contained detailed, timebound actions to which NEA had committed. The Response noted that Management had reminded the Borrower that, notwithstanding the Project's closure, RAP finalization and implementation consistent with Bank policy remained an obligation and that the Bank would follow up with the Borrower on this and other aspects of implementing the post-closure action plan. Management claimed no prior

knowledge of the reported use of force at the Project site and stated it had raised the matter with the Government. Management requested that all Project activities cease to help calm the situation, and it communicated to the Government that project-affected persons should be able to engage freely in consultations and express their grievances.

PANEL RECOMMENDATION / BOARD APPROVAL / REFERRAL TO DISPUTE RESOLUTION

Following strict COVID-19 protocols, a Panel team visited Nepal in January 2022 to inform its eligibility assessment. The Panel noted that the Requesters did not oppose the Project but believed it had inadequately assessed alternative transmission line routes that would have avoided human settlements. The Panel noted Management's acknowledgement that most of the allegations in the Request were already known and that Management had worked with NEA to help address them. The Panel noted its understanding that the Requesters had declined to engage with the Project team and NEA, as they distrusted the process and opposed the present alignment. The Panel also noted that in April 2021 the Requesters had filed a case against the current routing of the transmission line with the Supreme Court of Nepal, which issued an order suspending construction of the remaining works. The Panel understood that the Project's engagement with the community was on hold pending the outcome of the Supreme Court case, the timing of which was unknown.

During its assessment phase, the Panel noted that the action plan agreed between the Bank and NEA could have addressed some of the Requesters' concerns, if successfully implemented. However, the Panel could not confirm the adequacy of these actions or whether the Bank had complied with its policies and procedures. The Panel noted that the harm alleged due to non-compliance by the Bank with its operational policies and procedures was of a serious character.

In its February 16, 2022 Report and Recommendation to the Board, the Panel recommended an investigation. It noted the conflicting assertions between the Requesters and Bank Management and concluded that an investigation was needed to assess whether Management had appropriately dealt with issues raised and sufficiently demonstrated that it had followed Bank policies and procedures, and whether Management's proposed actions were adequate to address outstanding matters raised in the Request. On March 3, 2022, the Board approved the Panel's recommendation to investigate.

DISPUTE RESOLUTION PROCESS

As per the Inspection Panel and Accountability Mechanism resolutions, following the Board's approval of the Panel's recommendation, on March 6, 2022, the Accountability Mechanism Secretary (AM Secretary) offered the Requesters and the Government (the Parties) the opportunity to pursue a dispute resolution process facilitated by the Dispute Resolution Service (DRS). In accordance with AM procedures, the Parties were given 30 days to decide whether to opt for dispute resolution. The Parties accepted the offer, and this was reported to the Board, Panel, and Bank Management on April 12, 2022, marking the start of the dispute resolution process. After one year of engagement, the Parties signed a Dispute Resolution Agreement on April 11, 2023. At the request of the Parties, the DRS is now monitoring the implementation of the commitments undertaken as part of the mediation agreement.

PANEL CLOSING MEMORANDUM

On April 20, 2023, the AM Secretary issued a Notice of Dispute Resolution Agreement stating that the dispute resolution process concluded on April 11, 2023, with a signed agreement. According to the notice, the signatories stated that agreement was reached in full and final

settlement of their dispute. The notice annexed an Outcome Report, which stated that the Parties have exercised the option to keep their agreement confidential and that the AM will thus treat the agreement as confidential and will not publish the same. The Outcome Report explained that 33 of the 48 signatories to the Request signed the agreement, four did not participate in the process as they had already received compensation, two did not participate or sign as they live abroad, and nine signatories to the Request – members of the same family – decided to leave the dispute resolution process and did not sign the agreement. The Outcome Report also stated that 30 other community members had joined the process and signed the agreement, bringing the total number of signatories to 63.

Since the Parties reached an agreement through dispute resolution, the Panel issued a memorandum closing the case on April 27, 2023.



03.

INVESTIGATION

During Fiscal Year 2023, the Panel completed the two investigations relating to the Requests concerning projects in Togo and Uganda. Additionally, the Panel commenced an investigation relating to a project in Bolivia. Furthermore, the Board met to discuss the Panel's earlier investigation of a Request concerning a project in India and to approve the related Management Report and Recommendation.

A. ONGOING INVESTIGATION

BOLIVIA
SANTA CRUZ ROAD CORRIDOR CONNECTOR PROJECT (SAN IGNACIO–SAN JOSÉ)

PROJECT INFORMATION

Project No.	P152281
Region	Latin America and Caribbean
IDA Credit Amount	US\$230 million
Board Approval Date	January 11, 2017
Closing Date	November 30, 2025

The project development objective is to improve transport accessibility along the road corridor between San Ignacio de Velasco and San José de Chiquitos.

THE REQUEST

The Request for Inspection was submitted on December 19, 2022, by four Requesters who stated they are the leaders of four Centrales Chiquitanos (organizations of Chiquitano Indigenous People) in the Chiquitania region of eastern Bolivia. They engaged two local civil society organizations to represent them and authorized the Bank Information Center—a US-based, nongovernmental organization—to provide them support and advice during the Panel process. The Requesters and their representatives asked the Panel to keep their identities confidential.

The Requesters claimed Project activities threatened their land and livelihoods by creating opportunities for illegal activities and settlers to move into their area. They alleged that the road upgrade had increased the rate of illegal occupation of land and posed risks to indigenous land titling efforts planned or underway. They claimed the road exacerbated activities such as agribusiness expansion and deforestation, and that this, in turn, increased the rate of wildfires, which endangered their land and livelihoods. The Requesters alleged that the original Indigenous People's Plan (IPP)

neither mitigated adverse impacts nor granted them access to Project benefits. The Requesters said they have been discussing these issues with the World Bank and the implementing agency since 2018, but it took three years of engagement for their inputs to be included in the updated IPP agreed in December 2021. While they considered this updated IPP “relatively strong” and “much improved” compared to the original IPP, they complained about its remaining shortcomings and its ineffective implementation. They alleged that although road construction started in 2019, most of the measures intended to avoid, minimize, mitigate, or compensate for adverse impacts and provide social and economic benefits to the Indigenous Peoples were yet to be implemented, four years on. They believed that the Bank Policy on Indigenous Peoples (OP/BP 4.10) was being “violated.” They alleged that the Project has lacked meaningful consultation. They also claimed that Project workers have engaged in sexual exploitation, abuse, and harassment (SEA/H), including that of indigenous girls. Furthermore, they said that the Project Contractor’s hiring conditions did not guarantee the labor rights of the Chiquitanos working at Project sites.

MANAGEMENT RESPONSE

Management stated that the Request largely focused on broader economic and demographic developments that were not caused by the Project. According to Management, it was highly unlikely that the harm alleged by the Chiquitanos could have occurred at so early a stage of the Project. Management added that—given the high prevalence of gender-based violence in Bolivia—addressing SEA/H had been recognized early in the Project design stage, for which reason Project documents included targeted measures to help prevent and respond to SEA/H. Management acknowledged its awareness of labor-related issues, and explained that it had requested the implementing agency to ensure that these issues are quickly resolved and a labor and Occupational Health and Safety audit is undertaken.



PANEL RECOMMENDATION / BOARD APPROVAL / REFERRAL TO DISPUTE RESOLUTION

After visiting Bolivia in March 2023, the Panel recommended an investigation to the Board. During its field visit, community members in some of the villages the Panel visited raised concerns about what they claimed were unmitigated impacts on community water sources, road safety, and areas used for the extraction of road materials such as borrow pits. During this field visit the Requesters and community members also raised concerns about land-take in relation to the right-of-way (ROW), and lack of understanding of the compensation methodology and the basis of valuation. They claimed that some project-affected persons (PAPs) had not received compensation before the Project acquired their land. Additionally, the Panel heard numerous complaints that insufficient knowledge and information-sharing prevented the PAPs from meaningfully articulating more detailed concerns and priorities for the IPP. The Requesters and some of the impacted communities claimed that the IPP implementation was slow-moving, and that its measures were insufficient to achieve its stated objectives. The Panel heard of five cases of workers allegedly involved with girls younger than 18. The Panel was also told that adult women in some communities engaged in transactional sex with workers and heard about the significant vulnerability of these women. In its Eligibility Report the Panel noted the concerns raised around labor and working conditions and acknowledged the upcoming labor and Occupational Health and Safety audit to be conducted by the Project. On March 31, 2023, the Board approved the Panel's recommendation to investigate.

As per the Inspection Panel and Accountability Mechanism resolutions, following the Board's approval of the Panel's recommendation, the Accountability Mechanism Secretary (AM Secretary) offered the Requesters and Borrower the opportunity to pursue a dispute resolution process facilitated by the Dispute Resolution Service. On May 12, 2023, the AM Secretary informed the Board, the Panel, and Bank Management there was no agreement to enter dispute resolution.

PANEL INVESTIGATION

Following the AM Secretary's Notice of No Agreement to Pursue Dispute Resolution, the Panel commenced its investigation in accordance with the Inspection Panel and Accountability Mechanism resolutions. The Panel published its Investigation Plan on its website on May 16, 2023.



B. COMPLETED INVESTIGATION

TOGO, WESTERN AFRICA

WEST AFRICA COASTAL AREAS RESILIENCE INVESTMENT PROJECT, ADDITIONAL FINANCING, AND GLOBAL ENVIRONMENT FACILITY (GEF)

PROJECT INFORMATION

Project Nos.	P162337, P176313, P092289
Region	Western and Central Africa
IDA Credit Amount	US\$190 million
Board Approval Date	April 9, 2018
Closing Date	December 30, 2025

The project development objective is to strengthen the resilience of targeted communities and areas in coastal Western Africa.

This case pertained to the West Africa Coastal Areas Project activities in Togo only and covered two subprojects—the Combined Works (construction of new structures and the rehabilitation of existing structures, mainly groynes) and the Emergency Protection Measures (short-term protection against erosion through the installation of concrete pipe walls).

THE REQUEST

The Request for Inspection was submitted on August 4, 2021, by two community members living in the Project area on the coast of Togo. On August 27, 2021, the Panel received additional signatures from another Togo resident and 27 project-affected persons (PAPs) living in nine Togolese villages, and from a community-based organization, authorizing the Requesters to represent them. The Requesters asked the Panel to keep their identities confidential.

The Requesters alleged that the Project would adversely affect fishing communities, residents, and property-owners along the Togolese coast. They claimed (i) that they were under threat of eviction due to the Project, (ii) that Project activities had reduced the beach area available for use by the fishing communities, which affected their livelihoods, (iii) that they were concerned about planned involuntary resettlement and associated valuation, compensation, and relocation sites, (iv) that PAPs had received neither adequate nor timely Project information and had not been meaningfully consulted about Project activities, and (v) that alternatives to the physical aspects of the Project had not been fully analyzed.

The Panel registered the Request on September 7, 2021, and Management submitted its Response on October 7, 2021.

MANAGEMENT RESPONSE

Management stated that the Requesters' issues concerned Government interventions unrelated to the Project. It said the Bank had followed the policies and procedures applicable to the matters raised in the Request. Management noted that a site-specific Resettlement Action Plan (RAP) was

being prepared to cover impacts directly related to the construction of groynes and the safety zones around them. Management also clarified that a final version of the RAP would undergo Bank review and would require a “no-objection” before being considered ready for implementation. In its Response, Management committed to time-specific and measurable actions to address the concerns raised in the Request.

Management’s update on the implementation of actions, dated April 19, 2022, stated it had intensified support for the Combined Works, specifically on the finalization of the RAP and the Environmental and Social Impact Assessment (ESIA), and had provided updates on four of the actions it had committed to in its Response concerning the Emergency Works.

PANEL RECOMMENDATION / BOARD APPROVAL / REFERRAL TO DISPUTE RESOLUTION

A Panel team visited Togo in October 2021 and met with Government officials, local authorities and representatives, and the Requesters. On November 8, 2021, the Panel submitted its first Report and Recommendation. The Panel recognized that the Project was welcomed by the different stakeholders, including the Requesters, who understood the importance of addressing the immediate threat of their eroding coastline.

The Panel determined that the Requesters and their Request for Inspection met the technical eligibility criteria set forth in the Panel Resolution, except for the allegations regarding evictions, which the Panel determined were not linked to the Project. The Panel considered the alleged harm for the remaining issues to be plausibly linked to the Project, and that the Request raised serious questions regarding alleged harm and potential policy non-compliance. Furthermore, the Panel noted that Management had committed to undertaking actions to improve Project implementation, including the review and clearance of the RAP. The Panel observed that Management’s remedial actions were defined, measurable, and timebound. The Panel therefore decided to defer its recommendation as to whether an investigation was warranted until Management had sufficient time to address the issues raised by the Requesters. The Panel indicated it would reassess the situation considering Management’s actions and would inform the Board of the Panel’s recommendation within six months. The Board approved the Panel’s recommendation for deferral on November 22, 2021.

On April 19, 2022, Management provided an update on its actions and reported increased implementation support for the Project, with specific attention to the finalization of the RAP and the ESIA. Management stated that the December 2021 RAP was finalized and had been disclosed in Togo on February 4, 2022, and that the ESIA was finalized and disclosed on February 17, 2022. Management provided updates on four actions concerning the emergency protection works: (i) the preparation of the Social Audit, which Management shared with the Panel in May 2022, (ii) a summary of the impact on boat landings near the works, (iii) the implementation of the Local Action and Citizen Engagement initiative, and (iv) the ongoing information campaign. On May 3, 2022, the Panel requested—and the Board approved—a one-month extension (until June 8, 2022) to submit its second Report and Recommendation. A Panel team visited Togo in May 2022 and met with the Requesters, Government officials, and Project authorities to review and reassess the remedial actions committed to by Management.

Based on its field observations, analysis of available documents, and discussions with stakeholders, on June 8, 2022, the Panel recommended to the Board an investigation of the case. In its recommendation, the Panel acknowledged the positive steps taken by Management to address some of the concerns raised by the Requesters since the Panel’s first Report and Recommendation.

The Panel also recognized the significance of the Project to Togo and its coastal communities. The Panel remained concerned about the Bank's compliance with Environmental Assessment (OP/BP 4.01), Involuntary Resettlement (OP/BP 4.12), and Investment Project Financing (OP/BP 10.00) and its related Directive. The Board approved the Panel's recommendation for an investigation on June 23, 2022.

As per the Inspection Panel and Accountability Mechanism resolutions and following the Board's approval of the Panel's recommendation, the Accountability Mechanism Secretary (AM Secretary) offered the Requesters and Borrower (the Parties) the opportunity to pursue a dispute resolution process facilitated by the Dispute Resolution Service. On August 8, 2022, the AM Secretary informed the Board, the Panel, and Bank Management that the Parties did not agree to a dispute resolution process.

PANEL INVESTIGATION

The Panel posted its Investigation Plan on its website on September 13, 2022, and it commenced its investigation in two phases. The first phase included extensive documentation review and individual interviews with Bank staff and consultants. The second phase involved a fact-finding visit to Togo with expert consultants November 14–24, 2022. The Panel submitted its Investigation Report on April 20, 2023, and shared a copy with the Requesters so they could participate more effectively in the consultations on the Management Action Plan (MAP) that would respond to the Panel's findings.

MANAGEMENT ACTION PLAN

Following the Panel's submission of the Investigation Report, Management proceeded to the preparation of a MAP. By the end of the fiscal year, the Board was yet to discuss the Panel's Investigation Report or approve the MAP.



UGANDA NORTH EASTERN ROAD-CORRIDOR ASSET MANAGEMENT PROJECT

PROJECT INFORMATION

Project No.	P125590
Region	Eastern and Southern Africa
IDA Credit Amount	US\$243.8 million
Board Approval Date	April 30, 2014
Closing Date	October 31, 2024

The project development objective is to reduce transport costs, enhance road safety, and sustainably improve and preserve the road assets sustainably by applying cost-effective, performance-based, asset management contracts along the Tororo–Kamdini Road Corridor.

THE REQUEST

The Request for Inspection was submitted on October 1, 2020, by 10 community members from Omolokony Village, Uganda, who asked the Panel to keep their identities confidential. The Requesters claimed the Project planned to use Oruja Rock, located near their village at the Merok site, as a stone quarry for rehabilitation of the Tororo–Kamdini Road. They contended that the valuation of Oruja Rock had not been done properly, that they were coerced into signing 10-year lease agreements, and that the compensation received for the same was insufficient. They also alleged that some of their crops, trees, and structures had been destroyed by Project land-clearing activities in the zone surrounding Oruja Rock, and stated that this process took place without prior notice or adequate compensation for losses incurred. They raised concerns about the non-disclosure of Project-related information. Finally, they alleged coercion, intimidation, and reprisals resulting from these issues.

The Panel registered this Request on November 9, 2020.

MANAGEMENT RESPONSE

Management submitted its Response on December 11, 2020. It stated that some of the concerns raised by project-affected persons (PAPs) regarding Oruja Rock, the potential impact of quarry operations, and intimidation had already been addressed, that the Oruja Rock site would not be used as a quarry for the Project, and that the Project Contractor's staff and equipment had been demobilized. Management stated it had informed the Uganda National Roads Authority (UNRA) that all works under the Project except for emergency works along the road corridor would be suspended until several issues were resolved to the Bank's satisfaction. Management said the Bank had made every effort to apply its policies and procedures to the issues raised in the Request and that it had asked the Borrower to take specific steps to address these issues in line with the project loan agreement.

PANEL RECOMMENDATION / BOARD APPROVAL / REFERRAL TO DISPUTE RESOLUTION

On February 26, 2021, the Panel recommended an investigation, which the Board approved on March 12, 2021.

PANEL INVESTIGATION

The Panel submitted its Investigation Report to the Board on May 3, 2022. Immediately thereafter, the Panel team traveled to Uganda and shared its findings with the Requesters so they could meaningfully engage with Management during development of its Management Action Plan (MAP).

The investigation included five key findings and points. First, the Panel found the choice of frameworks to manage environmental and social (E&S) risks was justified. However, it noted that while the framework documents covered the basics, they omitted site-specific safeguard measures for acquiring quarry sites. The Environmental and Social Management Framework and Resettlement Policy Framework had several gaps, including the description of Uganda's legal and policy frameworks, land acquisition by a private entity, the potential willing-seller-willing-buyer scenario versus the application of the Involuntary Resettlement Policy (OP/BP 4.12), and E&S safeguard management. In this case, the Contractor claimed that land acquisition was on a willing-seller-willing-buyer basis, while Bank Management maintained that OP/BP 4.12 should have applied to land acquisition for quarries.

Second, during the negotiation of the Output Performance-based Road Contract (OPRC) between UNRA and the Contractor, a key clause—10.1—was modified with no objection from Management. This had implications for the Contractor's responsibilities regarding application of the E&S requirements. The Panel found that the Bank's no-objection here enabled the Contractor to carry out activities and works at the proposed Merok quarry site prior to the preparation of safeguard documents, adversely affecting the community.

Third, this OPRC has a multi-level contracting structure. The Panel observed that the decision to adopt an OPRC modality for the Project for NERAMP was well-founded and aligned with the Project objectives. However, the Investigation Report concluded that when responsibility for implementing safeguards lies with various entities at different levels throughout the contracting line, a well-defined process is needed to help each entity understand the E&S risks and obligations pertaining to Bank policies, and that adequate capacity must exist to implement the safeguards along the entire contracting line. In this Project, poor contract management strategy created gaps of responsibility, leading to instances of non-compliance with the Bank's E&S requirements and ultimately harming the PAPs.

Fourth, the Bank's decision to exclude the proposed Merok quarry site failed to analyze its potential impact on the PAPs, and the stakeholders were not consulted. The absence of a responsible disengagement or exit strategy further exacerbated the harm to the Requesters.

Lastly, the Panel noted the lack of urgency in addressing the impact caused by non-compliance observed by the Bank. The supervising engineer recorded several grievances from the community in October 2018. Approximately eight months after the land clearance activities, in November 2019, Management mentioned commissioning an independent E&S audit at the Merok quarry site to assess the impact of the Contractor's non-compliance. It was only after the Request was registered by the Panel that this audit was commissioned. When the Panel concluded its investigation in May 2022, the audit had yet to be finalized.



MANAGEMENT ACTION PLAN

Management consulted the community and prepared a MAP agreed by UNRA, and on June 15, 2022, submitted to the Board its Report and Recommendation in response to the Panel's findings. The MAP included compensation for the unaddressed damage to assets at the Merok site—informed by the Social Audit commissioned by the Bank—which will specifically include PAPs excluded from the original lease agreements, but who nonetheless suffered damage and disturbances as a result of contractor activities. UNRA will advise the Contractor of its breach of Clause 10.1 and of the contractual remedies that UNRA may invoke as a result of that breach, and will instruct the Contractor in writing to comply with the clause for the remainder of the Project. UNRA will review and update the Project's Resettlement Policy Framework (RPF) in line with OP/BP 4.12 in order to improve the acquisition process for quarries, including defining what qualifies as a willing-seller-willing-buyer transaction that falls outside the scope of OP/BP 4.12. UNRA will review the Project's existing reporting system between the Bank, UNRA, supervising engineers, and contractors, and identify areas requiring further improvement.

The Board met on September 30, 2022, to consider the Panel's Investigation Report and approved the MAP. On March 16, 2023, Management submitted the initial and final progress reports on MAP implementation to the Board, highlighting the successful completion of all the agreed actions therein.

The Panel's Investigation Report (and an Executive Summary in the Kumam language), the Management Report and Recommendation including the MAP, and Management's progress reports can be found on the Panel's website.

INDIA RURAL WATER SUPPLY AND SANITATION PROJECT FOR LOW-INCOME STATES

PROJECT INFORMATION

Project No.	P132173
Region	South Asia
IDA Credit Amount	US\$500 million
Board Approval Date	December 30, 2013
Closing Date	March 31, 2020

The project development objective is to improve piped water supply and sanitation services for selected rural communities in the target states through decentralized delivery systems and to increase the capacity of the participating states to respond promptly and effectively to an eligible crisis or emergency.

THE REQUEST

In November and December 2018, the Inspection Panel received two Requests for Inspection regarding the Rural Water Supply and Sanitation Project for Low-Income States, and after registering them chose to process them jointly. These Requests came from two villages in the state of Jharkhand, India, and were submitted by 104 Santhal tribal community members of one village, followed by 130 Santhal and Ho tribal community members of a second. The Requesters asked the Panel to keep their identities confidential.

The first Request concerned construction of a water treatment plant (WTP) for the Bagbera multi-village scheme financed under the Project. The Requesters claimed it was built on community land that was the site of an ancestral sacred grove and burial grounds that had tribal historical and cultural significance. They complained about losing access to important community resources, in particular medicinal plants. They questioned the WTP's environmental and social impacts and the Project's failure to analyze alternatives. They claimed the Project neglected to consult them or disclose Project information in local languages. They also feared retaliation for opposing the Project.

The second Request concerned construction of an elevated storage reservoir (ESR) as part of the Chhotagovindpur multi-village scheme financed under the Project. The Requesters alleged that the ESR was being built near a site honoring community martyrs of the struggle for Jharkhand statehood and thus held significant cultural and historical value. The Requesters claimed that the ESR's construction would cause the loss of free access to water and impose water payments that would impoverish them. They raised concerns about the lack of a social assessment to evaluate the scheme's impact on Indigenous Peoples and the Project's failure to consider alternatives that could mitigate the Project's environmental impact. They also alleged that there was no consultation or disclosure of Project information.

MANAGEMENT RESPONSES

Management acknowledged shortcomings in complying with the Bank's safeguard policy requirements for implementing the Project component for the construction of the WTP and the ESR near the Requesters' habitations. In both cases, Management attributed these shortcomings to "weaknesses in design and supervision, the conduct and documentation of consultations, the disclosure of key scheme-specific documents, non-objection to the initiation of works ahead of an approved EMP [Environmental Management Plan], and failure to apply the Bank's policy on Physical Cultural Resources (OP/[BP] 4.11)."

In responding to the first Request, Management stated it was not feasible to stop the works since many members of the community had expressed interest in benefiting from the clean water supply the Project had promised to deliver. However, Management identified several actions to address community concerns and correct Project shortcomings. These actions included working with the Government to hold community consultations supported by experts in anthropology and cultural heritage, outreach to understand community concerns better, and creating appropriate compensatory measures. Management committed to additional consultations on the updated EMPs and to ensuring that the executive summaries of safeguard documents would be translated into Hindi. Management also explained that the Project would be restructured and that OP/BP 4.11 would apply to it.

Regarding the second Request, Management stated that the Requesters' demand to stop construction and remove the scheme was impracticable since the ESR was virtually completed and operational trial runs were ongoing. Management added that the strong demand by associated communities for piped water could risk retaliation against those opposing the scheme. However, Management agreed with the Borrower to consult the Requesters on possible remedial measures, to update Project-related information and communication materials, providing versions in Santhali and Ho, and to consult on and disclose the EMP.

PANEL RECOMMENDATION / BOARD APPROVAL OF MANAGEMENT ACTION PLAN

A Panel team visited India on December 13–19, 2018, to assess the eligibility of the Request and inform its decision on whether or not to recommend an investigation. The team met with representatives of the World Bank Country Office, as well as officials from the Ministry of Finance, the Ministry of Drinking Water and Sanitation, and the National Project Management Unit. The team traveled to Ranchi, Jharkhand, and met with officials from the State Project Management Unit, the State Drinking Water and Sanitation Department, and the State Department of Social Welfare. In Jamshedpur, Jharkhand, the team met with officials from the District Project Management Units and from the District Administration. The team also visited the Project sites of both Requests and met with community members affected by the Bagbera and Chhotagovindpur multi-village water schemes.

The Panel recommended an investigation of the Project. It determined that the Requesters and the Requests met the technical eligibility criteria set forth in the Panel Resolution. The Panel considered the harm alleged in the Requests to be linked to the Project, and that the Requests raised important issues of policy non-compliance. The Board approved the recommendation on March 1, 2019.



PANEL INVESTIGATION

The Panel investigation determined that the Bagbera WTP and the ESR near Purani Basti were in areas customarily used by tribal communities. It found that Management had failed to ensure preparation of site-specific Tribal Development Plans, which led to significant harm to the culture, religion, and ways of life of tribal communities adjacent to these sites. The Panel noted that the Project's Social Assessment and Tribal Development Plans for Jharkhand had inadequately assessed the customary use of natural resources, religious practices, and cultural festivals of the Santhal and Ho tribes, and were therefore not in compliance with Bank Policy on Indigenous Peoples (OP/BP 4.10). The Panel also found that Management had not ensured a process of free, prior, and informed consultations with affected tribal communities, and that the works had proceeded without first securing broad community support. Additionally, there were shortcomings in the disclosure of key safeguards documents in Hindi and tribal languages.

The investigation also found that the site selections for the WTP and the ESR had not been approved by the Gram Sabha (village councils) as required by the tribal decision-making process. Bank Management failed to ensure analysis of the potential environmental, social, and cultural impacts of the schemes, or preparation of mitigation measures. The Panel determined that sites were selected without considering their social and cultural importance, and Management did not ensure the identification and mitigation of the impact on customary use of land, resources, and sites of importance to affected tribal people. Bank Management failed to address environmental

and health risks related to open disposal of household wastewater in the 2019 retrofitted EMPs, despite it being an important part of the Project. The Panel noted the absence of a functioning Grievance Redress Mechanism (GRM) for affected communities and inadequate implementation support prior to the Requests, as required by Bank policies on Environmental Assessment (OP/BP 4.01) and Indigenous Peoples (OP/BP 4.10).

The Panel found that Bank Management was in non-compliance with OP/BP 4.01, OP/BP 4.10, OP/BP 4.11, and Bank Policy on Investment Project Financing (OP/BP 10.00). This contributed to the significant harm suffered by the Santhal and Ho Indigenous Peoples of Giddhi Jhopri and Purani Basti. However, the Panel's Investigation Report noted that the Project's designation as an environmental Category B complied with OP/BP 4.01, as did Management's consideration of hydrology, water quality, and sludge management in both the Project's design and implementation, as well as in the 2019 EMPs.

The Panel submitted its Investigation Report to the Board on January 15, 2020. It shared a copy of the same with the Requesters so they could participate more effectively in Bank Management consultations on the preparation of the action plan answering the Panel's findings.

MANAGEMENT ACTION PLAN

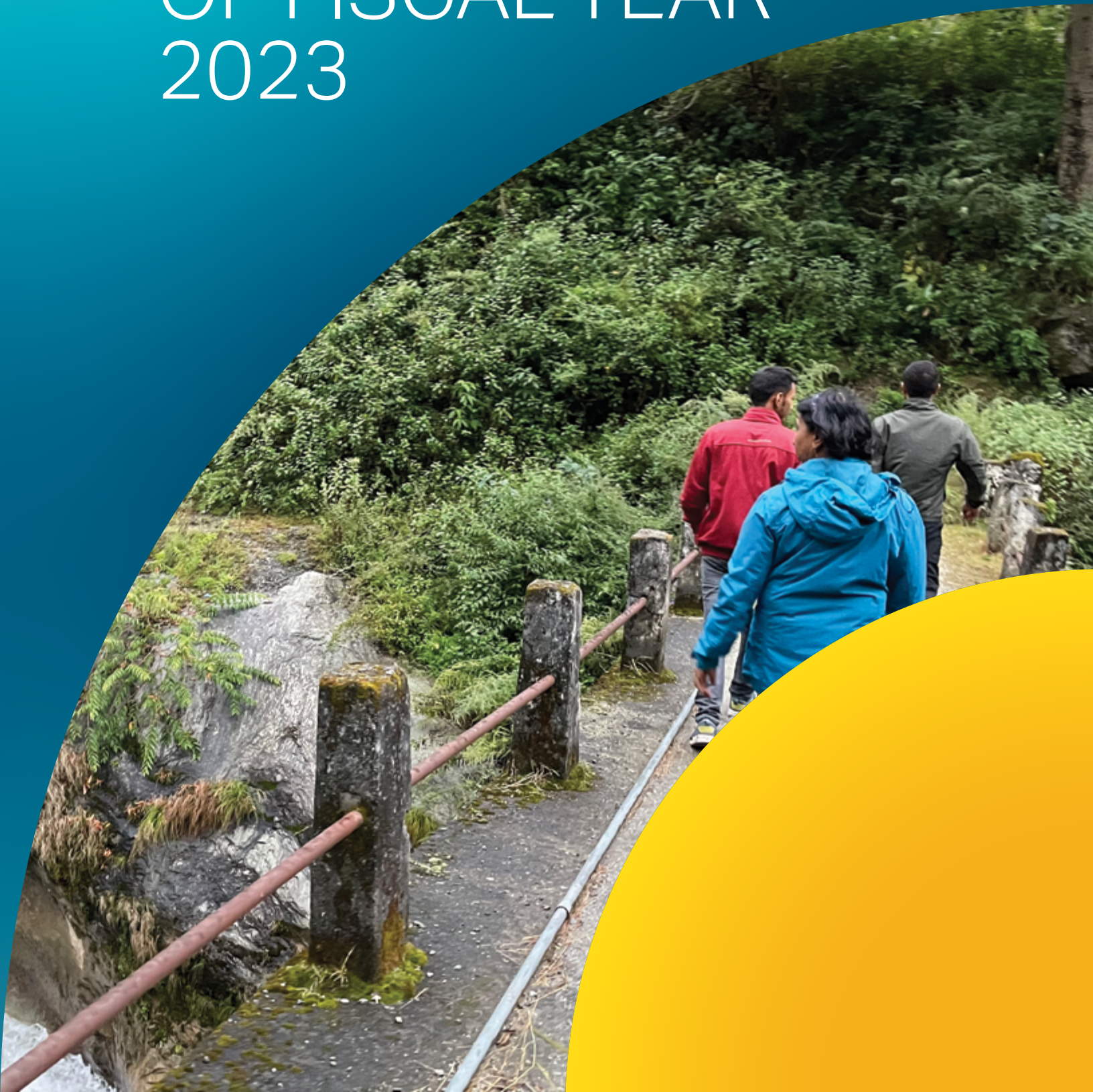
In response to the findings of the Investigation Report, Bank Management submitted a Management Action Plan (MAP) to the Board on December 21, 2022. (Management explained that COVID-19-related travel restrictions had delayed community consultations on the MAP until October 2022.)

The MAP included updating and finalizing the EMPs, sludge and water quality testing, conservation of a sacred tree and hillock in Giddhi Jhopri, restructuring the GRM, and ensuring creation of information and education initiatives.

Management agreed with the Requesters that the Government should help communities develop a pilot project to enhance livelihoods by cultivating bamboo, lemongrass, and other medicinal plants, and should confirm in writing that police cases against protesters among the tribal peoples were now dropped.

The Board discussed the Panel's Investigation Report and approved the MAP on March 2, 2023. Management committed to reporting MAP implementation progress annually to the Board.

IV. OTHER HIGHLIGHTS OF FISCAL YEAR 2023



OUTREACH WORKSHOP (JUNE, 2022)

Location Sarajevo, Bosnia and Herzegovina

Hosts Bankwatch; Inspection Panel and Dispute Resolution Service (DRS), International Finance Corporation (IFC), European Investment Bank (EIB), and European Bank for Reconstruction and Development (EBRD)

In this two-day workshop Independent Accountability Mechanisms (IAMs) joined about 25 civil society organizations (CSOs) to exchange information on how to serve communities affected by World Bank projects. The event marked the first in-person event for the Inspection Panel and the DRS since COVID-19-related restrictions were loosened.

OUTREACH WORKSHOP (JULY, 2022)

Location Beirut, Lebanon

Hosts Arab Watch Coalition (AWC), Inspection Panel and DRS, Asian Infrastructure Investment Bank (AIIB), EIB, IFC, the Multilateral Investment Guarantee Agency (MIGA), and the United Nations Development Programme (UNDP)

CSOs from Egypt, Iraq, Jordan, Lebanon, Morocco, Tunisia, and Yemen took part in this two-day event, which included information about IAMs and a regionally focused discussion of shared experiences and lessons learned.

OUTREACH WORKSHOP (OCTOBER, 2022)

Location Virtual, with a focus on Tunisia

Hosts AWC in Tunisia, Inspection Panel

This one-day, virtual, outreach workshop, attended by about 15 grassroots CSOs from around Tunisia, was a follow-up to the July outreach event in Beirut. It provided information on the Inspection Panel, such as its mandate and case process, and examined case studies.

2022 IAMNET ANNUAL MEETINGS (OCTOBER, 2022)

Location New York, New York

Host UNDP

More than 120 representatives of IAMs, including the Inspection Panel, participated in this three-day meeting, which for the first time took place in a hybrid format. In addition, more than 50 representatives of CSOs participated in a day of joint sessions.

2023 INTERNATIONAL ASSOCIATION FOR IMPACT ASSESSMENT (IAIA) CONFERENCE (MAY, 2023)

Location Malaysia

Participants Inspection Panel, partner IAMs

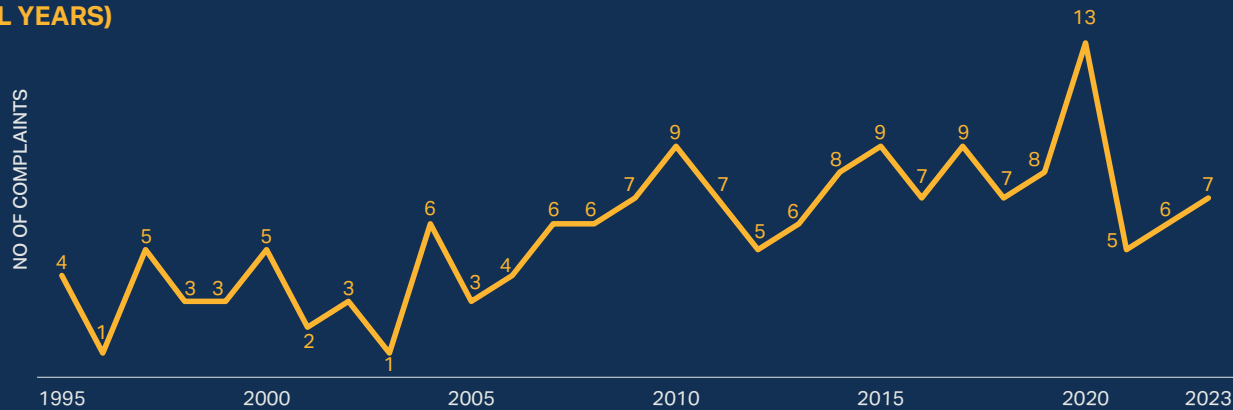
The Inspection Panel participated in a session discussing the top social and environmental complaints at international financial institutions, presenting case studies and an advisory publication on land administration and management.



APPENDIX I:

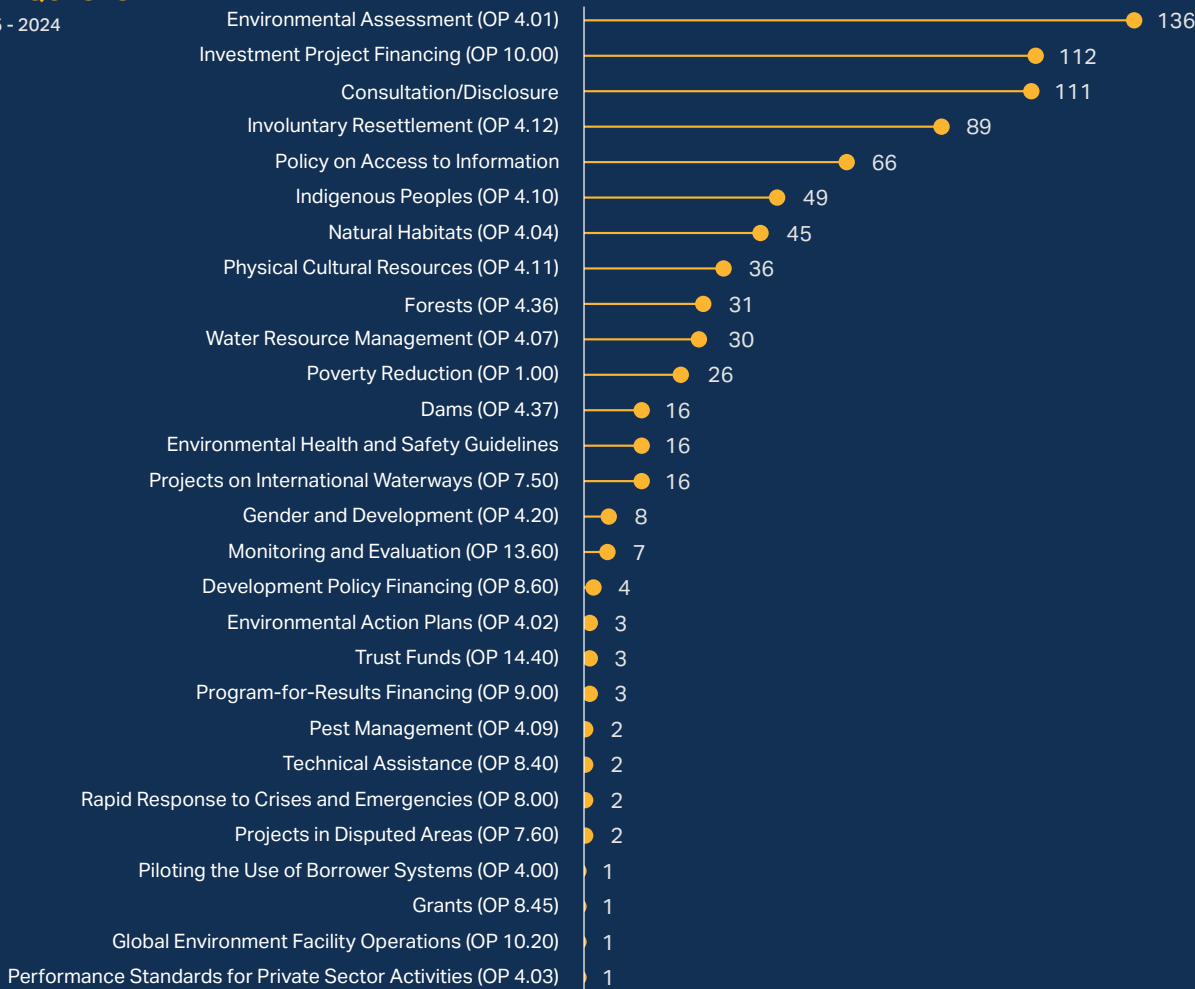
GRAPHS OF PANEL CASES, FY 1995–2023

CASES RECEIPT (FISCAL YEARS)



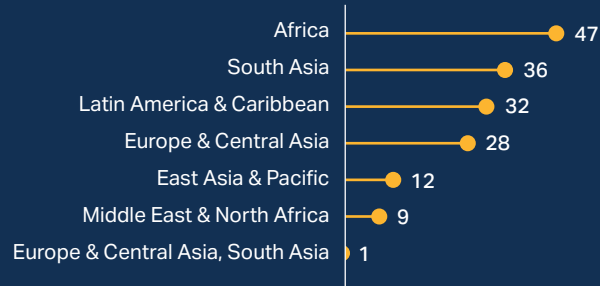
MAJOR POLICY ISSUES RAISED IN REQUESTS

Year Range: 1995 - 2024



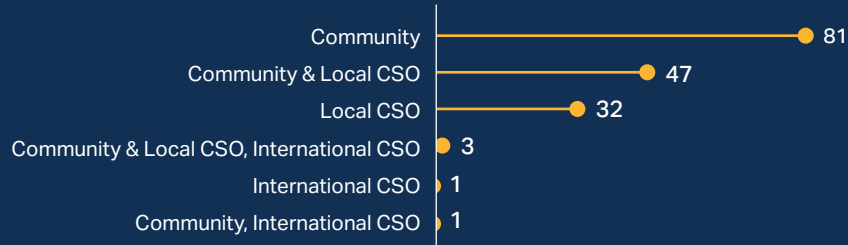
REGIONAL DISTRIBUTION OF CASES

Year Range: 1995 – 2023



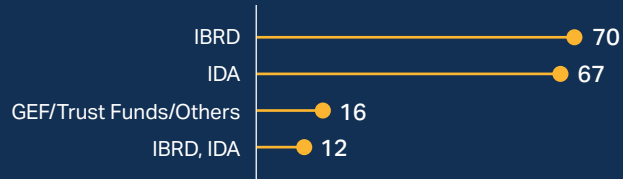
TYPE OF COMPLAINANTS

Year Range: 1995 – 2023



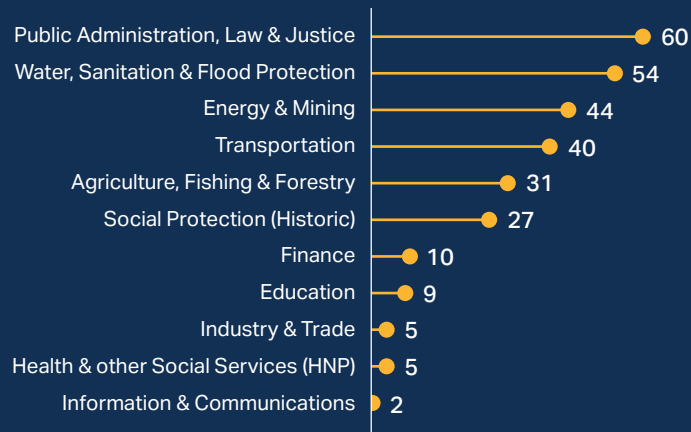
PROJECT FUNDING SOURCE

Year Range: 1995 – 2023



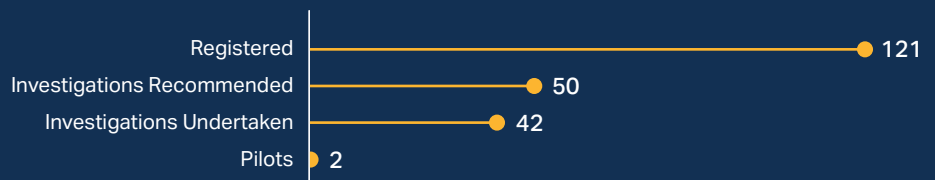
CASES SECTOR

Year Range: 1995 – 2023



CASES PROCESSING HISTORY

Year Range: 1995 – 2023



APPENDIX II:

FY23 BUDGET

(JULY 1, 2022-JUNE 30, 2023)¹

SALARIES ²	1,212
BENEFITS ²	848
COMMUNICATIONS & IT SERVICES	60
EQUIPMENT & BUILDING SERVICES	175
TEMPORARIES & ETCS	5
CONSULTANTS ³	934
TRAVEL	336
REPRESENTATION & HOSPITALITY	12
CONTRACTUAL SERVICES	104
OTHER EXPENSES	19
TOTAL BUDGET SPENT	3,639
TOTAL BUDGET RECEIVED	4,211

¹All amounts are to be multiplied by one thousand

²Includes Chairperson's salary and benefits

³Includes Panel Members' fees

APPENDIX III: BIOGRAPHIES OF PANEL MEMBERS



RAMANIE KUNANAYAGAM

Panel Member (2018–2021),

Chairperson (2022–present)

Ramanie Kunanayagam, a Sri Lankan-born Australian citizen, was appointed to the Inspection Panel on December 16, 2018. Ms. Kunanayagam became Panel Chairperson on January 1, 2022. She brings to the Panel three decades of experience across diverse geopolitical and multicultural environments in the private and public sectors.

Ms. Kunanayagam spent more than 10 years doing fieldwork in a remote part of East Kalimantan, Indonesia. She has held leadership positions in sustainability in both the private sector (working for two FTSE 10 companies) and the nonprofit sector. Most recently, before joining the Panel, she was the Global Head for Social Performance and Human Rights for BG Group. She has been a member of the boards of two international nonprofit development organizations—RESOLVE and the Institute of Human Rights and Business.

Ms. Kunanayagam has strong operational experience working across the entire project cycle. Her experience with multinational and international organizations and valuable experience living and working in more than 30 countries make evident her people skills and ability to broker trust relationships. Her appointment as a secondee to the World Bank very early in her career also gives her insight into and knowledge of the organization's operations that complement the expertise she has developed working alongside civil society, multilaterals, bilaterals, and communities affected by World Bank projects.

She earned a master's degree in anthropology from Monash University, Australia. Her Panel term runs through December 15, 2023.



MARK GOLDSMITH

Panel Member (2019–2023)

Chairperson (2023-present)

Mark Goldsmith, a United Kingdom citizen, was appointed to the Inspection Panel on November 17, 2019. Mr. Goldsmith brings to the Panel more than 25 years of experience managing complex projects and teams across the financial services, development, strategy consulting and energy sectors. His leadership extends to both the public and private sectors where he has demonstrated the ability to manage multi-stakeholders, understand complex issues, and lead the implementation of industry-wide and sector-leading solutions.

Through his work in both emerging and developed economies, Mr. Goldsmith has dealt with a wide portfolio of complex and sensitive matters, including environmental, social, sustainability, safety, risk management, and governance issues—experience that provides great value to the Panel.

Before creating his own sustainability consultancy “FiveOak” in 2015, Mr. Goldsmith was Director, Responsible Investment for Actis for more than 10 years. During that time, he was a leader in environmental and social governance (ESG) thinking in the emerging markets. In this capacity he developed and promoted world class standards in business integrity, health and safety, social, environmental and climate change areas across all investment areas and companies and implemented robust corporate governance standards and transparent practices. From 2014 to 2019, Mr. Goldsmith was a non-executive director of ENEO, the power company of Cameroon, and chaired the board subcommittee on ESG for four of those years.

Mr. Goldsmith has led several assignments, including developing environmental and social training for CDC Group (the UK’s developmental finance institute) on the International Finance Corporation’s Performance Standards, and providing ESG expert advice to an East Africa private equity fund and its portfolio companies.

He has a bachelor’s degree in manufacturing engineering from the University of Nottingham and a master’s degree in environmental pollution control, with distinction, from the University of Leeds.



IBRAHIM PAM

Panel Member (2023-present)

Ibrahim Pam, a Nigerian national, was appointed to the Inspection Panel on January 1, 2023. Mr. Pam is an accomplished international lawyer, analyst, and investigator with strong leadership experience, specialization in investigating mass crimes, human rights abuses, fraud, and financial crimes, and expertise in internal oversight and accountability of international institutions. His most recent position was Head ad interim of the Independent Redress Mechanism at the Green Climate Fund, and before that he was pioneer Head of the Fund's Independent Integrity Unit from 2016.

Mr. Pam worked as an Analyst and Investigator in the Office of the Prosecutor at the International Criminal Court (ICC) 2005–2012, and then as Chief Investigator in the Integrity and Anti-Corruption Department of the African Development Bank (AfDB) 2012–2015. He was Team Leader and Resident Investigator at the United Nations Office of Internal Oversight Services for the UN Mission in South Sudan, with concurrent responsibility for the United Nations Interim Security Force for Abyei, and additional assignments to the UN Multidimensional Integrated Stabilization Mission in the Central African Republic 2015–2016. In 2000–2001, Mr. Pam worked as Special Legal Assistant to the Nigerian Truth Commission, which among other things dealt with environmental and human rights issues in the Niger Delta. From 2001–2005, he served as Chief Legal Officer in the Nigerian Anti-Corruption Commission where, as Lead Expert delegate for Nigeria, he participated in the drafting of the African Union Convention on Combating and Preventing Corruption, and the UN Convention Against Corruption. He also helped develop the General Principles for Review of Investigative Offices of the Conference of International Investigators. In 2018, on behalf of the host organization (the Green Climate Fund), he chaired the Conference of International Investigators, a forum for investigators of international organizations. He is also concurrently a Member of the Independent External Oversight Advisory Committee of the Joint United Nations Programme on HIV/AIDS, and Chair of the Ad Hoc External Panel on Workplace Culture for the Office of the Prosecutor of the International Criminal Court. In addition, he serves as a Member of the Advisory Board of the African Association of International Law.

Mr. Pam holds a Bachelor of Laws (LLB. Hons) degree from the University of Jos, and a Master of Science (MSc) degree in Criminal Justice Policy from the London School of Economics and Political Science. He is called to the Bar as a Barrister and Solicitor of the Supreme Court of Nigeria.



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