THE INSPECTION PANEL

PARTICIPATION AND ACCOUNTABILITY FOR BETTER DEVELOPMENT OUTCOMES

Gonzalo Castro de la Mata
Chairman, The Inspection Panel

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ORIGINS

• Created by the Board in 1993 to:
  ✓ Provide opportunity for affected people to complain when Bank projects cause harm to them or their environment, and
  ✓ Ensure compliance with Bank policies and procedures.

• Independent process and findings.

• First of its kind across IFIs.
  ✓ Today there are 17 mechanisms.

• Has fact finding, not decision-making role.
OVERVIEW

- Reports only to the Board of Executive Directors. Independent from Bank Management
- Three Panel Members, appointed for five-year non-renewable term. Small Permanent Secretariat at World Bank
- Focus on World Bank as institution. Does not investigate governments or implementing agencies
- Requesters must bring their concerns to Management prior to presenting Request
- All reports prepared by Panel and Management as part of Panel process are made public
REQUESTERS

- Local community of at least two people or local organization, or representative, on behalf of affected people.

- Foreign organization, on behalf of affected people, in exceptional circumstances, if local representation is not available.

- An Executive Director of the World Bank.
INSPECTION PANEL PROCESS

Panel Receives Request

Registration of Request

Eligibility Phase
- Management Response
- Board No-Objection

Investigation Phase
- Panel’s Investigation Report
- Management Action Plan

Pilot Approach for Early Solution
With Agreement of Requesters

Proposed Management Steps/ Measures

Registration or Non-Registration

Non-Registration
PANEL CASES

103 Requests Received as of July 2015
4 Ongoing Cases

Requests Received per Year

Regional Distribution of Requests

- South Asia, 22
- East Asia and Pacific, 5
- Latin America and Caribbean, 26
- Europe and Central Asia, 16
- Middle East and North Africa, 3
- Africa, 31
Panel Cases by POLICY AREAS (As of July 2015)

- Environment Assessment: 74 cases
- Project Supervision: 60 cases
- Involuntary Resettlement: 50 cases
- Indigenous Peoples: 32 cases
- Disclosure of Information: 28 cases
- Natural Habitats: 25 cases
- Poverty Reduction: 24 cases
- Water Management & Dams: 22 cases
- Project Appraisal: 20 cases
- Cultural Resources: 19 cases
- Economic Evaluation: 16 cases
- Forests: 12 cases
- Policy Lending: 9 cases
- Financial Management: 8 cases
- Gender Dimension: 6 cases
- Suspension of Disbursements: 5 cases
- Climage Change: 5 cases
- Technical Assistance/Study Programs: 5 cases
- Piloting the Use of Borrower Systems: 2 cases
- Pest Management: 2 cases
- Severance Pay: 2 cases

No. of Cases
HOW DOES THE PANEL DEFINE A POSITIVE OUTCOME OF ITS PROCESS?

1. **Redress of Harm**

   To affected people through a robust “Management Action Plan.”

2. **Lessons Learned**

   - Policy clarifications,
   - Improved guidance to staff,
   - Strengthened safeguard capacity,
   - Review of broader development issues at Board level (land management and administration, indigenous peoples, consultation, supervision),
   - Highlighting issues at highest political levels and identifying possible solutions beyond the Panel’s mandate

In short, ensuring accountability through adherence to policies and reducing harm caused by projects and portfolio.
1. Summary

- Allegation of project contribution to “Organized Forced and Child Labor.” Projects (ca. US$108M) provide sub-loans through FIs to agribusinesses in 7 regions.

- Management acknowledged weak Social Assessment. Action Plan:
  - All legal documents adjusted to conform with regulations on forced labor (including ILO),
  - Training materials modified,
  - Third-Party Monitoring across portfolio and GRMs,
  - Scaled up supervision,
  - Enhanced Policy Dialogue.

- Panel delayed recommendation by 12 months for Action Plan to proceed.

2. Results and Challenges

- IPN did not recommend investigation because significant progress with Action Plan including marked reduction of child labor, although TPM not yet in place. Management will update Board in 12 months.
1. Summary

- Request alleging support for new Mining Law without consultation, participation, or safeguards.
- Supported by a US$650,000 grant from the Extractive Industries Technical Advisory Facility (EI-TAF) - Bank-Executed TF (BETF).

2. Results and Challenges

- BETFs comply only with Bank’s Performance and Administrative Manuals (not safeguards). Panel could not investigate as there are no policies against to measure compliance.
- “Notice of Non-Registration and Observations Regarding the Policy Framework Applicable to Technical Assistance”:
  - Recognition of credibility of Request,
  - Need to develop mining law adhering to highest social and environmental standards, consultation and participation,
  - Identified Policy Gap for BETFs; Management agreed to review its TA policy with objective of closing policy gap.
- Existence of a Policy Gap, continued civil society campaign using IPN NNR
1. Summary
   • Indigenous organizations from San Pedro and Caaguazu alleging breakdown in participation in agricultural and rural development Project.
   • Management aware of problems and had developed Action Plan.
   • Requesters interested in solving the problem, agreed to process under the Pilot approach.

2. Results and Challenges
   • Successful implementation of Action Plan, as expressed in writing by Requesters. Panel visited to verify that participation problem resolved.
   • IPN enhanced status and visibility of IPs through field visit,
   • IPN concludes that Pilot was the proper tool.
1. Summary

- 103 families from Sindhuli District alleging problems with resettlement, compensation, livelihood restoration, cultural heritage, health, disclosure, and consultation in relation to transmission line.

- Panel deferred investigation by 5 months to enable implementation of Action Plan. Some progress made, but certain actions remain.


2. Results and Challenges

- Clear findings, methodologically straightforward.

- Requesters refused to discuss Action Plan with management until IPN Report disclosed.

- Dialogue underway, but risk of violence around location of transmission towers.
RECURRENT ISSUES IN PANEL’S CASES
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- Risk Assessment
  - Identify risks and provide for mitigation measures at appraisal and throughout implementation

- Indigenous Peoples’ Issues
  - Census/Baseline surveys
  - Livelihood Restoration
  - Resettlement Consultations
  - Supervision
The ancient Romans had a tradition: whenever one of their engineers constructed an arch, as the capstone was hoisted into place, the engineer assumed accountability for his work in the most profound way possible: he stood under the arch.