

# Submission to the World Bank's Safeguard Review and Update Process

## The Inspection Panel

### Lessons from Panel Cases: Inspection Panel Perspectives

The Inspection Panel is an independent complaint mechanism for people who believe that they have been, or are likely to be, adversely affected by a World Bank-funded project. The Panel provides for accountability and redress through its process and its assessment of Bank compliance with operational policies. Most of the complaints come to the Inspection Panel alleging harm caused by the World Bank's non-compliance with its environmental and social policies, which are also called safeguard policies, currently undergoing review and update. The safeguard policies have been and will continue to be a cornerstone in the accountability structure of the World Bank. While a review and update of this policy framework is warranted, in view of changes in Bank operations and among the clients which it serves, the updates to be introduced must carefully reflect the standards of accountability with which the institution wants to be associated.

In order to contribute to this important review process, the Inspection Panel has distilled some important lessons from its investigations. These include lessons on accountability of a more general nature, as well as in relation to specific policy areas. Four of these specific areas are highlighted below: (i) project area of influence; (ii) consultation; (iii) land management; and (iv) supervision. The Panel presented these lessons to CODE in a seminar together with Bank Management ([click to view the presentation](#)), and the topics of consultation and project area of influence have been discussed in public seminars organized by the Panel.

#### General lessons on accountability:

The Panel's work is a testament to the importance of the Bank's safeguard policies in protecting and supporting the rights and interest of people and the environment, and improving development outcomes. Throughout its nearly 20 years of work, the Panel has seen that the policies provide an anchor for these results, with multiple benefits – especially for people who may be poor and vulnerable – and help make the World Bank the institution it aspires to be.

There are some factors here that we wish to highlight:

- The Panel's experience illustrates the importance of safeguards that both substantively and procedurally confirm key principles underpinning Bank operations. In line with the commitment of no dilution, it is important to **identify and acknowledge key principles in the current policy framework** that have proven to be critically important to recognize and avoid/address social and environmental harms, manage risks, and protect peoples' legitimate rights and hopes in the context of development work.
- The Panel's experience shows **the importance of clarity of requirements**, both for project-affected communities as well as for Bank staff. This is a key ingredient both for effective policies and accountability. To ensure that rights of accountability and recourse remain fully available to affected people, it is important to have core requirements and principles in policy text and not in secondary guidance documents. While the latter are important, they have less weight and visibility.

- The Panel notes the importance of people’s active participation and voice in development processes supported by the Bank. Panel cases demonstrate that **people’s rights and access to information, to meaningful consultation, and to recourse**, as enshrined in Bank policies, are fundamental building blocks of accountability ([click to view the presentation](#)).
- The Panel has stated on several occasions that it recognizes risk-taking is an essential part of development work, and that the Bank needs to be able to take the risks that go along with innovation, and venture into challenging circumstances where risks and potential rewards may be high. Effective safeguard policies provide means to identify and manage risks, and **citizen-driven accountability helps to enable risk-taking** by providing a safety net for affected people in the event that risks materialize.

The Panel supports and appreciates the current effort to update and improve the safeguard policies, including the consideration of new thematic areas, some of which have been reflected in Panel cases. The Panel stands ready to continue to play its role as new elements may be developed.

### **Project area of influence:**

The Panel has encountered several cases where the delineation of a project’s area of influence, required under Bank Policy on Environmental Assessment, was inadequate. The Panel found the definition of the project’s area of influence restrictive and narrow, with a resulting inadequate assessment of potential environmental and social risks and impacts, and hence inadequate identification of ways to prevent, minimize, mitigate or compensate for adverse impacts. The Panel has noted that determination of a project’s area of influence must “follow” impacts in the short-, medium- and long-term, and not be guided by a limited geographical understanding of “physical footprint”. Investigations found that the following impacts had not informed delineation of area of influence ([click to view the presentation](#)):

- Impacts in areas beyond land acquisition – such as buffer zones.
- Certain wider impacts – such as changes in traffic flow, and risks of flooding caused by road embankments.
- Impacts of associated facilities, which were addressed in the investigation of the South Africa Eskom project.
- Effects of induced activities “upstream” or “downstream” of component financed by the Bank, which were addressed in the West Africa Gas Pipeline case.
- Cumulative impacts of a range of investments, which were addressed in the Pakistan National Drainage Project case.

### **Consultation:**

Several policies contain requirements for consultations with stakeholders affected by a Bank-financed project, and the preparation and conduct of consultations has often been subject of complaints coming to the Panel. While the requirement with respect to the purpose and intended outcome of consultations is different from one policy to the other, Panel investigations have found ([click to view the presentation](#)):

- Certain affected groups had fallen off the radar screen and were not included in the consultation process. This has been particularly critical when involving indigenous people, leading to lack of recognition of customary land rights.
- Consultations failed to involve all relevant segments of the local community, such as traditional and informal leaders.
- Lack of documentation on outcomes of consultations, which was especially important in documenting broad community support among indigenous groups.

- Inadequate efforts to provide information in local languages to ensure meaningful consultation.

### **Land management:**

Over the past years, there have been a growing number of complaints related to land use and land management projects. Panel cases have revealed a policy lacunae with respect to impacts from land management projects. How to address consequences for people's livelihoods from changes in rights to land and land based resources is not clear within the Bank's safeguards framework. Bank Management issued a Guidance Note on Land Use Planning noting that the Involuntary Resettlement Policy does not apply to such projects.

In its investigation reports on projects dealing with land registration and land use management, the Panel has noted:

- Inadequate assessment of social, political, institutional and legal risks during project preparation.
- Impact of such projects may warrant application of the policies on Involuntary Resettlement and Indigenous Peoples.
- Projects involving indigenous peoples should carefully assess the social and legal importance of collective titles for certain groups.
- Longer term impacts of land titling for tenure security of poor and marginal communities need careful consideration.
- The importance of paying greater attention to changing social, political, institutional and legal circumstances in land related projects.

### **Supervision:**

Under its supervision policy the Bank is responsible for ensuring that borrower's obligations related to Bank's safeguard policies are complied with. While it is the responsibility of the borrower to implement World Bank-funded projects, it is this supervision responsibility that leads to Bank's accountability. Many Panel investigations have invoked the supervision policy due to the fact that it is during project implementation issues of harm become real for affected communities. Panel investigations found:

- Lack of compliance by failing to identify and adequately respond to issues and problems as they emerge.
- Lack of follow-up on pre-identified problems or inattention to warning signs, often compounded by lack of funds for supervision.
- High staff turnover, inadequate coordination in Project management and supervision, and heavy work demands on task team leaders affected quality of supervision.
- Too few safeguards or social specialists among the supervision teams.
- Lack of Bank field presence as a contributing factor to inadequate supervision.



# The Inspection Panel

**Lessons from Panel Cases:**

**Inspection Panel  
perspectives**

**CODE seminar October 22, 2012**

# Introduction

- What lessons of relevance for the Bank's modernization agenda?
  - investment in practical knowledge to improve delivery - “science of delivery”
  - focus on the poor and vulnerable – inclusive development
  - emphasis on results - solutions

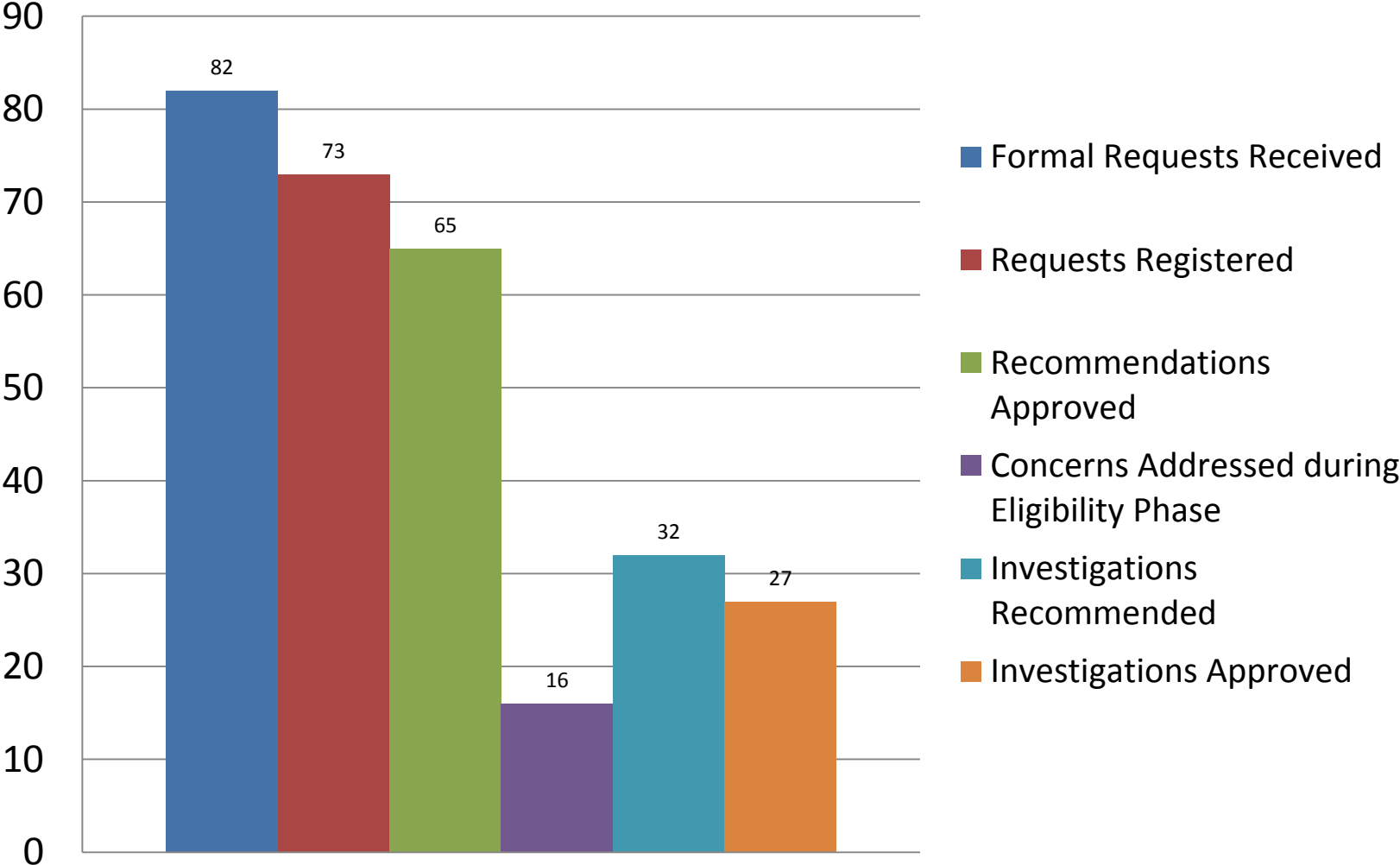
# Panel experience highlights

- Importance of safeguards for development outcomes and tackling poverty
  - Panel provides incentive to apply safeguards
  - Generates lessons on policy application and compliance in important areas
- Importance of access to recourse – citizen-driven accountability
  - Effective access to recourse enables risk-taking; risks not transferred to the most vulnerable
  - Opportunity for problem solving and redress

# A few words on the «sample»

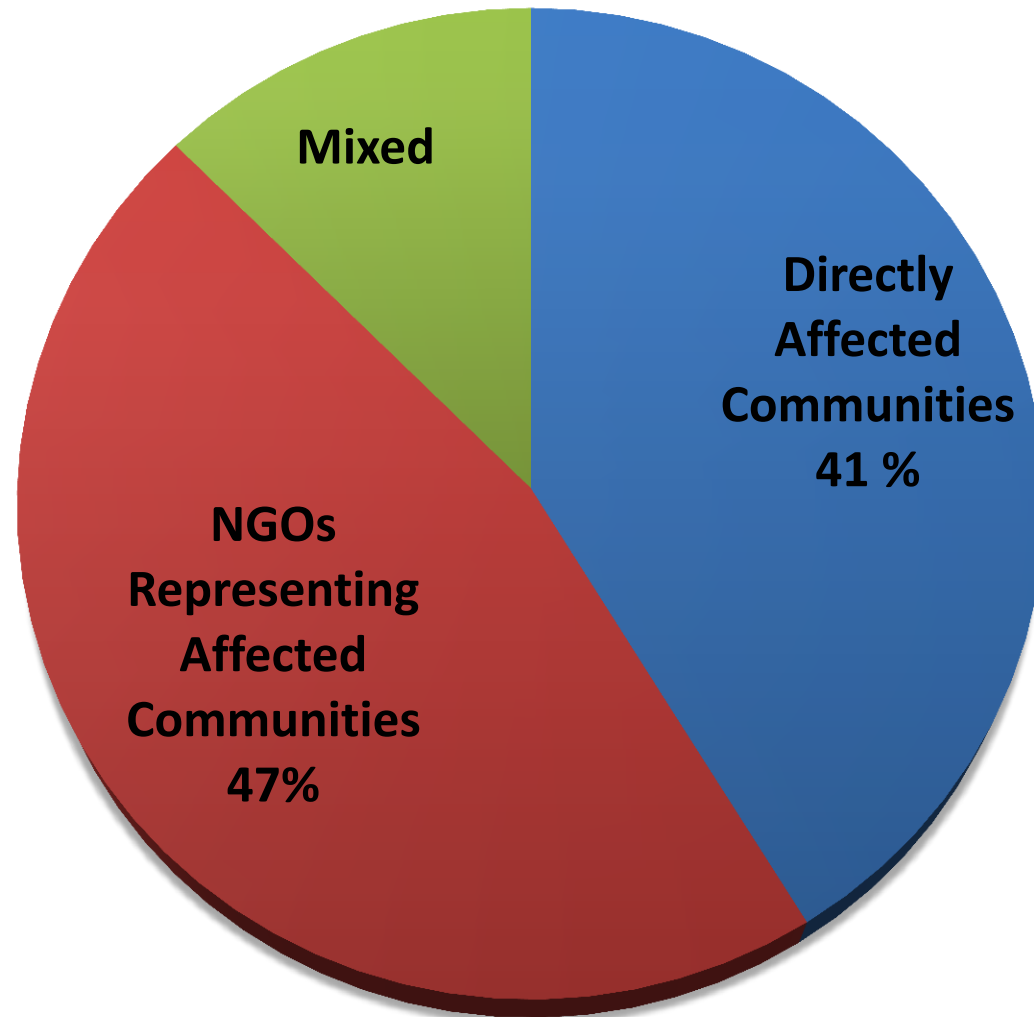
- Limited number: 82 – 27
- Great diversity: requesters as well as issues of compliance and harm
- Tip of an iceberg or isolated incidences?
- Panel cases triggered by citizen complaints – not an evaluation **but:**
  - Trends over time point at systemic issues that warrant attention:
  - Individual cases illustrate problems as well as solutions

# Requests Received As of October 2012





### Distribution of Requesters ( as of October 2012)

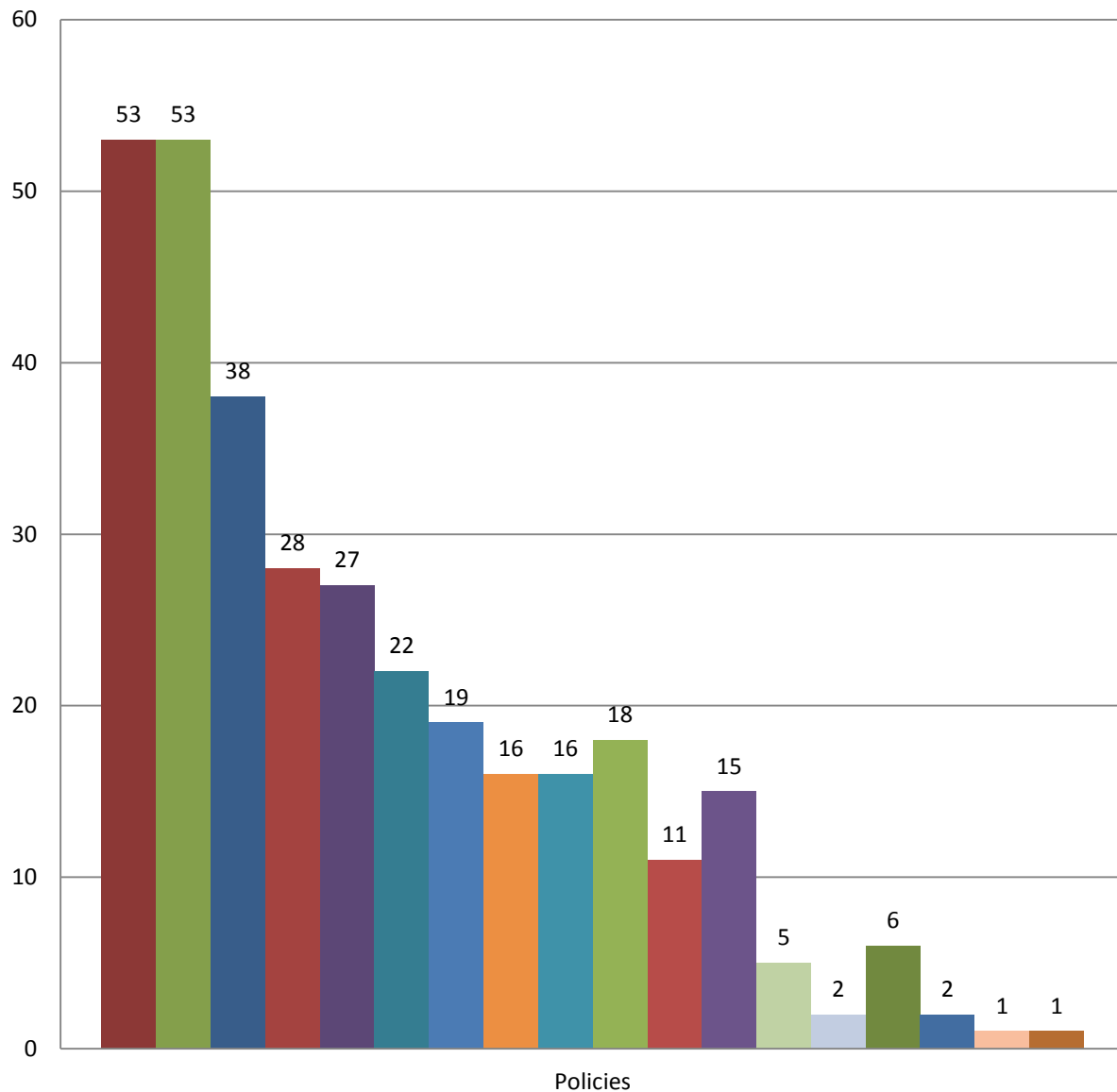


Mixed: The Request was made by an NGO on behalf of some of the affected community. Community members without representation were also part of the Request.

NGOs Representing Affected Communities: The Request was made by an NGO on behalf of the affected community.

Directly Affected Communities: The Request was brought directly by members of the affected community .

# Policy-Related Issues Most Often Raised in Requests As of October 2012



- Project supervision
- Environmental assessment
- Involuntary resettlement
- Indigenous peoples
- Disclosure of Information
- Poverty reduction
- Natural habitats
- Economic evaluation
- Cultural resources
- Water management & dams
- Forests
- Project appraisal
- Suspension of disbursements
- Financial management
- Policy lending
- Severance pay
- Gender dimensions
- Piloting the Use of Borrower Systems

# Lessons on policy application and compliance

- Two broad themes of relevance for the Bank's modernization agenda where Panel cases have provided relevant systemic lessons
  - On best practice in ***risk management***:  
*Defining scope during assessment*  
*Responding when risks materialize*
  - On application of ***safeguards standards***:  
*Panel findings on compliance in specific cases*

# Four issues that warrant attention

- On defining the scope of risk assessment: determining **area of influence** of project
- On obligations and approach in **supervision**: how to respond when risks materialize
- On **consultation**: when “meaningful”
- On **land management**: a policy gap?

On area of influence:  
*Policy provisions*

*«Project area of influence: The area likely to be affected by the project, including all its ancillary aspects ... as well as unplanned developments induced by the project ...»*

# On area of influence: *Panel findings*

- Scope of EIA too narrowly defined:
  - Part of affected people and affected areas overlooked
- Inadequate identification of “induced” impacts:
  - Road embankment causing flooding
  - Change in traffic flow
- Lack of clear definition of associated facility/activity
- Inadequate identification of impacts of religious, ceremonial or customary nature
  - Need for broader consultation

# On supervision of safeguards issues:

## *Policy provisions*

« ... identify problems promptly as they arise during implementation and recommend to borrower ways to resolve them ...»

# On supervision of safeguards issues: Panel findings

- Lack of follow-up on pre-identified problems
- Inattention to warning signs
- Lack of resources for supervision
- Composition of supervision missions: too few social specialists
- Supervision from a distance: lack of field presence



# On consultation: *Policy provisions*

## Access to information

- *Timeliness and comprehension of information*

## Cultural resources, Forests, Natural Habitats

- *Participatory information collection*

## Environmental impact assessment

- *Views to be taken into account*

## Involuntary resettlement

- *Consultation on alternatives. Active participation in resettlement*

## Indigenous peoples

- *Free, prior, informed consultation. Broad community support*

# On consultation: *Panel findings*

- Certain groups not included
- Traditional leaders overlooked
- Inadequate sharing of information – language
- Outcome of consultations poorly documented and not reported back («taking views into account»)

# On land management projects:

## *Policy provisions*

- A policy gap? How to address consequences for people's livelihoods from changes in rights to land and land based resources
- Clarification that Involuntary resettlement policy does **not** apply
  - Guidance Note on Land Use Planning issued

# On land management projects:

## *Panel findings*

- Risk assessment: Analysis in general comprehensive
  - Impacts of titling/land regulations on people with collective tenure rights need more attention
- Risk management: Vague strategies for how to respond
  - Greater attention to changing social, political, institutional and legal circumstances needed

# Lessons on access to recourse - redress

- Giving people a voice – empowerment:  
“jump starts” problem solving
- Grievances of affected people addressed  
through Management and Borrower actions:  
at different stages of the process

# Examples of redress

Examples of actions after investigation	
<b>Philippines: Manila Sewerage project</b>	Project component objected by the Requesters cancelled
<b>Argentina: Santa Fe road project</b>	Road design changes to avoid flooding in the area
<b>India: Mumbai urban transport project</b>	Increased compensation for middle income shop owners and establishment of a project level grievance redress mechanism
<b>Congo (DRC): Forestry project</b>	Recognition of Pygmy groups as Indigenous People and inclusion of pygmy representatives in review of logging concessions
<b>Nigeria: West Africa Gas Pipeline</b>	Re-evaluation of all assets listed in resettlement documents, leading to significant enhanced compensation and increased investment in community development
<b>Uganda: Bujagali hydropower</b>	Better solutions in respect of cultural and spiritual rights of the Busoga

# Examples of redress

## Examples of actions earlier in the Panel process – cases without investigation

<b>Congo (DRC): Restructuring of parastatals</b>	Recognition of delays in payment of retrenchment packages and of amounts outstanding. Establishment of a process to mediate.
<b>Yemen: Institutional reform program</b>	Translation of Program document into Arabic and establishment of processes to enhance consultation with CSOs on regular basis and on relevant topics
<b>Kazakhstan: Road project</b>	Revised road design to take into account affected communities' concerns. Recognition of additional compensation where due. Improvement in grievance mechanism. Improvement in consultation processes during the EIA for sections of the road still under design
<b>Chile: Quilleco hydropower</b>	Increased consultation with affected communities on access to water

## Examples of cases where requesters were not pleased with outcome – i.e. no investigation

<b>Liberia: Forestry project</b>	Requesters claim that Bank played a key role in design of forest concession policy which resulted in adverse impacts on communities
<b>Kenya: Electrification project</b>	Requesters claim Bank has to share responsibility for illegal siting of substation

# Moving forward

- Changes within Bank and outside require some adaptations in the way the Panel process functions
- Current dialogue with Management:
  - How to make the process less adversarial and more solutions oriented
  - How best to contribute to institutional learning
- Strengthen dialogue with the Board and CODE – e.g. through this type of seminar
- Drawing on emerging lessons globally from citizen-driven accountability mechanisms of international development agencies
  - Hosting 2013 meeting of IAMs in Washington





# The Inspection Panel

## What we do and how our work relates to human rights

Alf Jerve, Chairperson  
Presentation at OPCS – Nordic Trust Fund  
June 7, 2012





# The Panel and the concept of rights in development processes



1. The right to recourse: The Panel process itself
2. Rights embedded in safeguard policies: The Panel's assessment of compliance
3. The Bank's role to assist member states fulfilling rights obligations: The Panel's indirect contribution



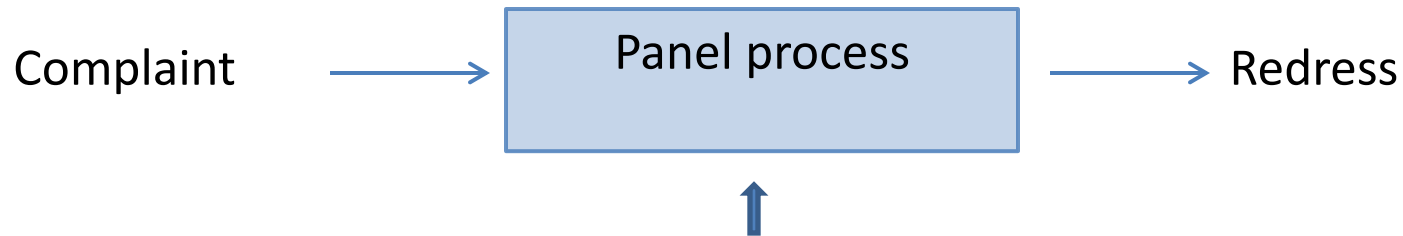
# Right to recourse: the Panel

- The genesis of the Panel
- Rio 1992 – Principle 10  
Giving people voice
  - The right to know
  - The right to participate
  - The right to recourse
- New international doctrine: Citizens to have access to recourse at international finance institutions
- The Panel complements other avenues for redress





# Right to recourse: the Panel process



## Panel

Investigates whether the Bank has **followed** its policies and procedures in design, appraisal and implementation of a project

Investigates **links** to alleged harm

## Management

**Responds** to the complaint and findings from Panel investigation

**Actions** to address complaint and issues of compliance



# Right to recourse: Panel principles

- Ensuring access
  - Low threshold for filing a complaint
  - Making the Panel known
  
- Protecting the right to recourse
  - Provisions of confidentiality
  - Can file through a “representative”
  - Risk of reprisal: reporting instances to highest authorities (Mumbai, Chad-Cameroon)
  
- Independent, impartial, transparent



# Rights embedded in safeguard policies

- Bank safeguard policies contribute greatly to articulating (human) rights in planned development processes
- Policies are means to an end: prescribe procedural requirements but also intended outcomes and standards – or “rights”:
  - Right to know and to be consulted
  - Right not to have ones livelihood deteriorated
  - Right to benefits from development investments



# Right to be consulted

- Consultation is a **means** to an **end**
  - What end is it that the Bank want to achieve (standards)?
  - Different policies have different standards on consultation  
Levels of empowerment
  
- Questions for the Panel
  - Were policy-required **ends** (standards) achieved?
  - Any flaws in the **means** applied?



# The empowerment continuum

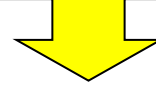
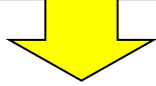
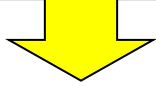
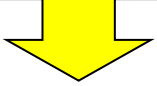
Access to information

Physical cultural resources

Environmental impact assessment

Involuntary resettlement

Indigenous peoples



Less

TOP-DOWN

Empowerment

BOTTOM-UP

More

Informing about the project



Collecting information: participatory methods



Collecting views: on alternatives, options



Taking views into consideration: reporting back



Participation in implementation



Engaging in negotiation, mediation



Giving decision-making power to stakeholders







## Right to restoration of livelihood

- Has the livelihood of displaced people been restored?

OP4.12: “to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels”



## Right to benefit

- Have indigenous people benefitted from a project affecting them?

OP 4.10: “ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate and gender and intergenerationally inclusive”



# Member states' rights obligations

- Former General Counsel: The Bank's role is to support its Members to fulfill human rights derived legal obligations (from international treaties or from national laws) where they relate to Bank projects and policies
- Support: Application of policies that contribute to fulfillment of human rights
- Avoid violation: Panel cases have, at least indirectly, invoked this perspective
  - Civil and political rights: intimidation of requesters (Chad)
  - Economic, social and cultural rights: ILO Convention on Indigenous People (Honduras); access to water (Pakistan)



## Final remarks

- Review of the safeguard policies:
  - More emphasis on outcome standards
  - But how to gauge standards? A rights perspective is helpful
- Citizen-driven accountability moving forward:
  - Right to recourse: important principle in a globalizing world
  - The Bank : need for more discussion on the best way forward under the Bank's modernization agenda
- What can the Panel do:
  - Promote and protect the right to recourse
  - Contribute to an outcome standard and “rights” perspective when assessing policy compliance



Thank You!



**For more information:**

**[www.inspectionpanel.org](http://www.inspectionpanel.org)**



# The Inspection Panel

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

Alf Jerve, Chairperson

Presentation at the World Bank Spring Meetings, CSO Forum

April 18, 2013





# The mandate of the Panel

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

A Panel **investigation** looks at:

**Bank's actions or omissions**



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



**Material adverse effects on the people complaining or environment**



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

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



# What does Bank policy prescribe?

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

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

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





# Many Panel cases where area of influence was an important issue

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



## Ghana: urban environment sanitation project



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

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



## Peru: Bus rapid transport system in Lima



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

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



## Argentina: roads upgrading - Santa Fe



### Widening of regional trunk road

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



## Uganda: hydropower plant at Bujagali



250 MW plant on the Nile

downstream of existing plant at the outflow from Lake Victoria

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



# Lebanon: water supply to Beirut



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

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





## South Africa: thermal power plant (Medupi)

4,800 MW coal fired power plant and associated infrastructure

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





# Defining boundaries of a Bank accountability

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





## Program-for-Results (PforR)

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



Approach involves:

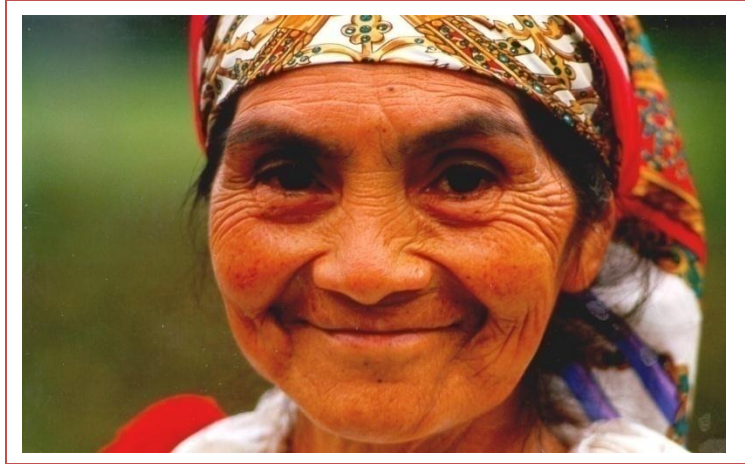
- Screening : exclude Category A-type activities
- Assessment: ESSA focuses on borrowers' systems and needs for strengthening
  - To meet core safeguard principles
  - Handling of grievances relating to environmental and social issues
- Implementation
  - Monitoring of system strengthening and impact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



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



Thank You!



**For more information:**

**[www.inspectionpanel.org](http://www.inspectionpanel.org)**

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# The Inspection Panel

Who we are and what we do

## The issue of consultation and participation in Panel cases

Alf Jerve, Chairperson

Presentation at the World Bank Spring Meetings, CSO Forum

April 18, 2012





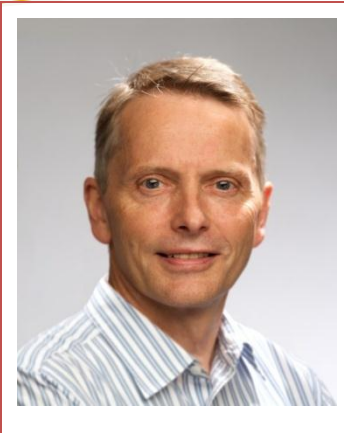
# The mandate of the Panel



- Respond to **complaints by people** who believe that they are suffering, or may suffer, harm caused by a World Bank-financed project
- Investigate whether the Bank has followed its **own policies** and procedures in design, appraisal and implementation of a project and **links to** alleged harm
- Mandate covers projects financed or co-financed by **IBRD and IDA** of World Bank



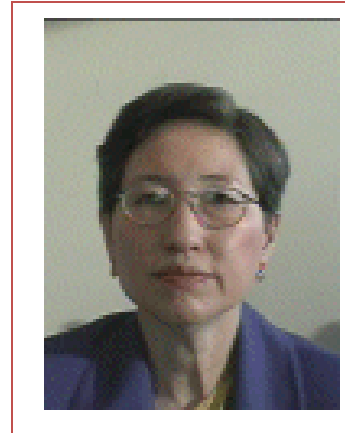
# The Panel



Alf Jerve  
Chairperson



Roberto Lenton



Eimi Watanabe

- **Three** Panel members, different nationalities from Bank member countries, appointed for 5 year non-renewable term
- Small permanent **Secretariat**
- Expert **consultants**







# Characteristics of the Panel



## ■ Independent

- Reports only to Executive Board
- Independent from Management and Bank staff, but also from civil society and requesters
- Independent staff and budget
- Independent visits to affected people and project areas

## ■ Impartial

- Objective, fact-finding body

## ■ Transparent

- Every document related to Panel's process is made public





# Impacts of Panel process

- **At project-level**
  - Grievance redress and recourse for affected people through Management and Borrower actions
  - Giving people a voice – empowerment
  - Spotlight problems – “sunshine effect”
- **Bank-wide**
  - Incentives to ensure adequate application of Bank policies
  - Lessons for similar projects/sectors – e.g. consultation
  - Access to recourse enables risk-taking: risks not to be transferred to most vulnerable



# Consultation and development

## ■ Context

- **Planned** development interventions
- Managing relationship to stakeholders not directly linked to decision-making
- A political issue – **empowerment**
- Participation, ownership, consent

## ■ Why

- An obligation to ensure that vulnerable and marginal groups are able to engage in development that affects them
- A **rights** issue
- A development **effectiveness** issue



# Consultation and compliance

- Consultation is a **means** to an **end**
  - What is it that the Bank want to achieve (ends)?
  - Different ends and different policy requirements
  - Different ends → different requirements on consultation (means)
- Bank's new **guidelines** on consultation
  - Broad perspective on ends and means
  - Better planning – better outcomes
- Questions for the Inspection Panel
  - Were policy required **ends** achieved?
  - Any flaws in the **means** applied?



# The empowerment continuum

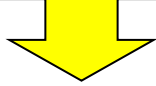
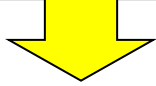
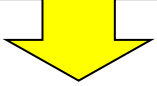
Access to information

Physical cultural resources

Environmental impact assessment

Involuntary resettlement

Indigenous peoples



Less

TOP-DOWN

Empowerment

BOTTOM-UP

More

Informing about the project



Collecting information: participatory methods



Collecting views: on alternatives, options



Taking views into consideration: reporting back



Participation in implementation



Engaging in negotiation, mediation

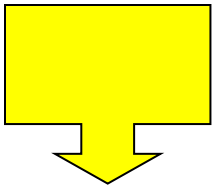


Giving decision-making power to stakeholders





# Focus on ends – what policies want to achieve



- Access to information
  - Transparency; timeliness and **comprehension** of information
- Physical cultural resources
  - **Identification** of all impacts
- Environmental impact assessment
  - Views taken **into account**
- Involuntary resettlement
  - Active **participation** in resettlement
- Indigenous peoples
  - Broad community **support**



# Examples of Panel findings on consultation

- Albania – thermal power plant at Vlora
  - **Claim:** views not taken into concern; effects on tourism
  - **Findings:** lack of meaningful consultation - started after decision on location taken; inadequate notification and timeliness of information; Bank pushed for Vlora – not reconsidering site of plant with changing political situation
  
- PNG – palm oil development
  - **Claim:** lack of community support to aspects of project; information not adequate; not able to input to project design
  - **Findings:** lack of documentation of broad community support; lack of attention to cultural diversity; participation in consultation should have been broader



# Examples of Panel findings on consultation

## ■ Panama – land titling

- **Claim:** community support but opposition to ways of demarcating land; tenure security not achieved
- **Findings:** inadequate consultation on identification of indigenous peoples land claims in some areas; inadequate information on changes in national land laws

## ■ Argentina – road construction

- **Claim:** inadequate compensation not reflecting actual impact
- **Findings:** inadequate information on land acquisition impacts and compensation policy; delays in setting up information points



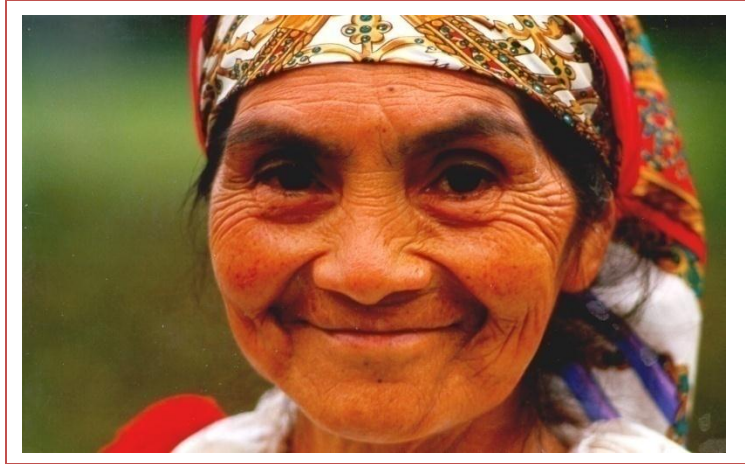
## Final remarks

- Consultation has to be context specific
  - Few absolute standards
  - Involves judgment – by Management as well as Panel
- Panel comes in when there are problems: ends not achieved
- Panel assesses consultation processes against policy prescriptions: both means and ends
  - Panel process provides scope for corrective actions where meaningful
  - Provides lessons





Thank You!



**For more information:**

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