

**The World Bank
Inspection Panel**

About the World Bank Inspection Panel

The World Bank Group is an international development bank that aims to reduce poverty and improve living standards for people in developing countries. The World Bank (WB) Group supports government as well as private sector investments. It works directly with governments through:

- **International Bank for Reconstruction and Development (IBRD)**, which lends to middle-income and low-income countries; and
- **International Development Agency (IDA)**, which provides interest-free loans and grants to the world's poorest countries.

The **World Bank Inspection Panel** serves as an independent forum to provide a voice for communities or any group of two or more people who believe they are harmed – or are likely to be harmed – by an IBRD or IDA-financed project. The **Inspection Panel** investigates complaints regarding whether the WB has followed its own policies and procedures during the design and implementation of projects. If the Panel finds lack of compliance with policies, it is expected that the WB take corrective actions and address harms based on the Panel's findings.

Complaints to the Panel relate to the adverse effects that WB-financed projects have on people, their livelihoods and the environment. Complaints most often relate to projects supporting power generation, transport infrastructure, water supply and sanitation infrastructure, and reforms in land management and land use. Examples of issues of policy compliance often addressed in Panel cases include indigenous people, resettlement, environmental protection, consultation and disclosure of information, and project supervision.





Key World Bank Rules

The WB has 51 operational policies and 47 bank procedures that WB staff must follow when designing a project and overseeing its implementation. Some of these are referred to as safeguard policies, which are currently under review and new policies are expected after June 2014. If any WB rules are not followed and cause or may cause harm, the violation of these rules can be addressed in a complaint to the Inspection Panel.

These are the Operational Policies that the WB is most often found to have violated:

- 4.01 **Environmental Assessment:** Evaluates potential environmental risks, impacts and alternatives, plus ways to improve all environmental aspects of the project.
 - 4.04 **Natural Habitats:** Ensures projects take into account the conservation of biodiversity and the various environmental services that natural habitats provide. This policy limits the circumstances under which the natural habitat can be harmed.
 - 4.09 **Pest Management:** Ensures rural development and health sector projects cannot use harmful pesticides, and if they do, a Pest Management Plan must be included.
 - 4.10 **Indigenous Peoples:** Includes a process of free, prior and informed consultation of the affected people at each stage of the project. The policy requires social assessments to evaluate positive and adverse effects on people.
 - 4.12 **Involuntary Resettlement:** Covers direct economic and social impacts, and provides for a resettlement plan or resettlement policy framework, which includes information disclosure, consultation and compensation.
 - 4.20 **Gender and Development:** Covers the gender dimension of development projects the WB supports, both within and across sectors in countries where it has an active assistance programme.
 - 4.36 **Forests:** Aims to reduce deforestation and harness the potential of forests to reduce poverty by integrating forests in sustainable economic development, protecting vital local and global services that forests provide.
 - 4.37 **Dam Safety:** Requires experienced and competent professionals to design and supervise construction, and also requires dam safety measures to be implemented throughout the project cycle.
 - 13.05 **Project Supervision:** Requires WB staff to ensure that borrowing governments are following policies when implementing projects.
 - 4.00 **Country Systems:** Substitutes use of the Bank's Operational Policies to those of the borrowing country's standards when they are deemed equivalent and acceptable to WB standards (this policy is still in testing phase).
- World Bank Policy on Access to Information:** Describes what information must be made available to the public regarding WB projects and programmes.

How to file a complaint

The following step-by-step guide explains the process that affected groups and their representatives can follow to submit a complaint, formally called a Request for Inspection. There are various tools available for assistance. The Inspection Panel, as well as SOMO and Accountability Counsel, can provide advice and additional information on submitting a complaint. A suggested complaint format can be found online at: www.inspectionpanel.org.

Overall strategic considerations

- Consider the benefits of a complaint, as well as limitations of the mechanism.
- Consider whether another strategy might be more effective or efficient. Using the Panel to address harm or expected harm from a WB project is most effective when combined with other strategies, including: engaging the media; seeking campaign support from other organisations; government advocacy; or other tactics.
- Understand the time and resources required in the Inspection Panel process, which could take more than a year from the time you file until the Board issues its final report.

Background to the World Bank Inspection Panel

The World Bank Inspection Panel was the first accountability mechanism of its kind and it began operations in 1994. It was a response to massive criticism of several very controversial WB projects, and was specifically created to address the complaints of people affected by WB-financed projects so that their concerns could be heard.

The Panel's purpose is to determine whether the WB has complied with its own policies in the funding of a project and to issue a report of its findings to the WB's Board of Directors who then decide what to do. Most of the accountability mechanisms established after the Panel have both a compliance review function and a dispute resolution function, which helps to mediate disputes between the affected communities and the entity that received funds for a project. While the Panel's procedures require that you make a "good faith effort" to resolve your problem with WB staff before filing a complaint, the Panel itself does not offer a formal dispute resolution process.

The Inspection Panel consists of three members, who are each appointed for five-year terms, and a small, permanent staff that operate independently of WB management and report directly to the World Bank's Board of Directors (referred to henceforth as the "Board"). To ensure the Panel's independence, members cannot have worked for the WB for two years before they begin their five-year terms, and they can never work for the WB again after their term ends.



Community considerations prior to filing a complaint

- Determine the scope of the community of the affected group and assess whether they fully understand and support a complaint process. If not, consider conducting trainings for the affected group about the Panel process.
- If possible, any community divisions should be resolved early on so that they do not undermine the Panel process. Complaints are most effective when the affected community speaks with one voice.
- Decide who will speak on behalf of the affected community during the complaint process.

Technical preparation for the complaint

- If possible, clearly define which specific violations of WB Policies and/or Procedures have occurred and whether those violations have caused, or will cause, harm.
- Make sure that your complaint includes a record of the steps that have been taken to resolve the problem with WB management.
- If possible, your complaint should include evidence detailing the harm or expected harm; this could include photographs, videos, written notes or other materials.

The World Bank Inspection Panel **Process**

Initial steps: Once the Panel receives a complaint, it decides whether the request is within its mandate. If so, the Panel registers the complaint and forwards it to WB management, which then has 21 business days to respond to the issues raised in the complaint. The Panel then has another 21 business days to decide whether the complaint is eligible for an investigation.

In determining eligibility, the Panel may visit the project site and meet with project-affected people. The Panel's Eligibility Report to the Board includes summaries of the complaint and WB management's response, confirmation of whether the complaint meets technical eligibility requirements, observations about the seriousness of the harm and non-compliance alleged in the complaint, and a recommendation about whether the complaint should be investigated.

Investigation phase: If the Board approves an investigation, the Panel may visit the project site again. During investigations, the Panel gathers further information, talks with affected people and other stakeholders, reviews all relevant documents, and interviews WB staff and consultants who participated in the project. The Panel may also hire experts to conduct an independent analysis of the issues raised in the complaint.

Final report and follow-up: When the investigation is complete, the Panel submits a final report to the Board and to WB management with a determination regarding whether the WB is in compliance with its policies and procedures. Bank management then has six weeks to submit recommendations and an action plan which describes how it will respond to the Panel's findings.

Based on the Panel's report and management's recommendations, the Board will decide what steps should be taken to remedy the harm, or expected harm, caused by the project. The Panel and management's final reports, and the Board decision, are made publicly available promptly after the Board meeting. The people who filed the complaint cannot appeal if they disagree with the Board's decision.

Write the complaint or Request for Inspection

The complaint should include:

- The date, name and signatures of all the people filing the complaint, or the name of the representatives with a signed letter providing proof of authority to provide the representation.
- Information about whether or not you wish the Panel to keep your identity confidential (note that anonymous complaints are not accepted).
- A brief description of the project and the area being affected.
- An explanation of the harm, or expected harm, as a result of the WB's IBRD or IDA project.
- An outline of how the harm is due to the WB's failure to comply with its own rules.
- An outline of the change you would like to see as a result of the Panel process.
- Supporting documents showing previous "good faith" attempts to resolve the problem with WB staff (such as copies of correspondence or meeting notes).



The who, what, when, where, and why of filing a complaint

Who: Any two or more local people affected by a World Bank-financed project may bring a Request for Inspection (or "complaint") to the Panel. Local organisations speaking on behalf of a community may also submit a complaint, as long as they provide documentation authorizing them as representatives. The complaint can only be submitted by a foreign non-governmental organisation (NGO) in specific circumstances when local representation cannot be found. Confidential, but not anonymous, complaints are accepted by the Panel.

What: A complaint must address a current or future harm stemming from a project with at least some funding from the World Bank's IBRD or IDA. The complainants must have reasons to believe that the harm is related to the WB's failure to follow its policies or procedures, and the complaint should explain why. The complaint is not required, however, to analyze Bank policy or Bank's actions or omissions.

When: You can only submit a complaint to the Panel after you have tried in "good faith" to resolve the issue with WB staff, and either before WB involvement in the project has ended, or before 95% of the funding has been distributed. On the "Financials tab" of a project listed on the "Projects & Operations" page of the WB website, you can check how much of a grant or loan has been disbursed to that project. The Panel may also be contacted directly for advice on the requirements pertaining to your submission.

Where: The individuals submitting a complaint must live in the area affected by a WB-funded project. The complaint may be submitted at any World Bank Office or directly to the Inspection Panel, which is based in Washington, DC at World Bank headquarters.

Why: Submitting a complaint may bring attention about the problem you are facing to WB leadership, who have the power to cancel or suspend projects, redesign projects to prevent harm, order compensation or redress harm. Bringing a complaint may also create a record of any violations, which may help to address problems in advocacy campaigns and may also help prevent such violations from happening in the future.

File the complaint

- You may submit the complaint in your local language, if you are not able to submit your complaint in English.
- Submit the complaint via email, fax or mail to:

Executive Secretary
World Bank Inspection Panel
Mail Stop: MC10-1007 F: + 1 202 522 0916
1818 H Street, NW E: ipanel@worldbank.org
Washington, DC 20433 T: (for questions only)
United States of America + 1 202 458 5200

- The complaint may also be filed in person with a WB resident representative in the country where the project is located.

Follow up on your complaint

- Once the complaint has been submitted, if you do not hear from the Inspection Panel, check with the Panel to ensure that the process is moving along.
- It is often helpful to speak to members of the WB Board, who will ultimately decide what to do with the Inspection Panel's report. The Board may ask the Panel to monitor any changes to the project as a result of the Panel's investigation. Organisations like the US-based Bank Information Center may be able to help you contact Board members.
- If the Panel concludes that the Bank has violated its rules, ensure the Board follows through with any commitments made to remedy the harm (or potential harm) of the project.

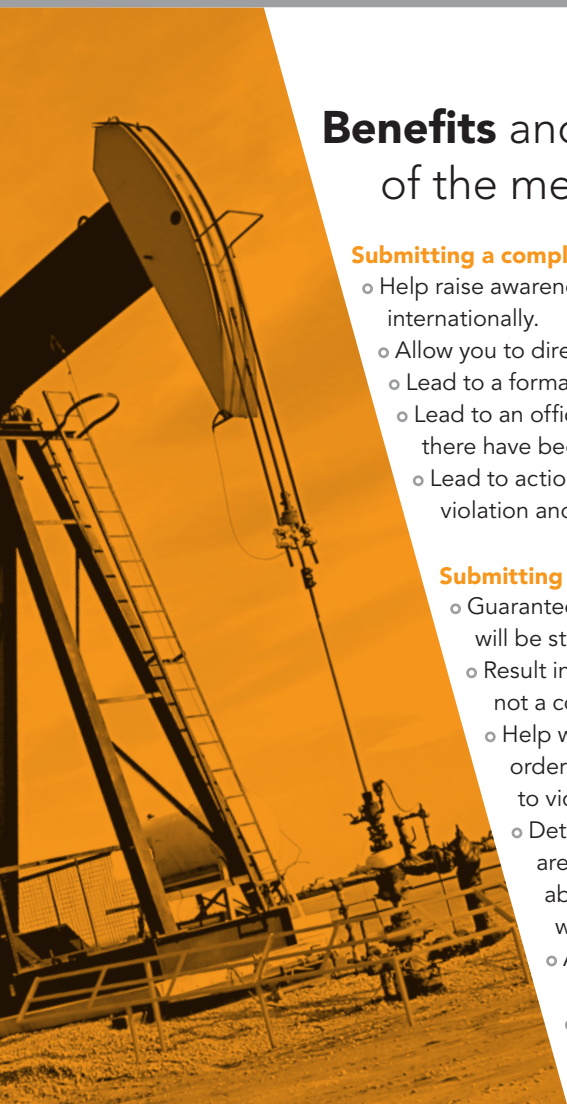
Benefits and limitations of the mechanism

Submitting a complaint to the Panel could:

- Help raise awareness about what is happening, both locally and internationally.
- Allow you to directly voice your concerns to the WB about a project.
- Lead to a formal investigation by the Panel.
- Lead to an official determination by the Panel about whether or not there have been violations of WB policy.
- Lead to action by the WB's Board and Management to correct the violation and address harm.

Submitting a complaint to the Panel cannot:

- Guarantee that harm being caused by a WB-supported project will be stopped or prevented.
- Result in determinations of guilt or innocence, as the Panel is not a court.
- Help with dispute resolution; the Panel has no power to order that problems be fixed, and cannot give compensation to victims.
- Determine what should happen next if violations of policy are found. The most the Panel can do is to issue a report about the violations to the WB Board, which then determines what to do in response.
- Address problems related to the government's procurement of goods or services as part of a WB project.
- Address issues that the Panel has already addressed, unless new evidence or new circumstances are presented.





About this brochure

This brochure provides a brief overview of the work of the World Bank Inspection Panel and its procedure to file a Request for Inspection. Civil society organisations, workers, communities and groups of individuals who are harmed by an IBRD or IDA project can use the World Bank Inspection Panel process to address their grievance. This brochure briefly explains how.

About the Human Rights & Grievance Mechanisms Project

This brochure is part of a series of brochures on grievance mechanisms that is produced within SOMO's Human Rights & Grievance Mechanisms Project. This project aims to improve the accessibility and effectiveness of non-judicial grievance mechanisms for stakeholders who experience adverse impacts on their human rights as a result of business activities. For more information, go to www.grievancemechanisms.org.

About SOMO

SOMO is an independent, not-for-profit research and network organisation that promotes sustainable and fair global economic development and the elimination of the structural causes of poverty, environmental problems, exploitation and inequality.

SOMO

Stichting Onderzoek Multinationale Ondernemingen

Centre for Research on Multinational Corporations

Sarphatistraat 30

1018 GL Amsterdam

The Netherlands

T +31 20 639 12 91

info@somo.nl

www.somo.nl

About Accountability Counsel

Accountability Counsel is a non-profit legal organisation that supports communities to defend their environmental and human rights when they have been harmed by internationally financed development projects. Accountability Counsel helps communities to voice their complaints about projects that affect them – and to demand remedies where rights are violated – through the use of non-judicial accountability offices.

Accountability Counsel

230 California Street, Suite 304

San Francisco, CA 94111

United States of America

T +1 415 296 6761

info@accountabilitycounsel.org

www.accountabilitycounsel.org



ACCOUNTABILITY
COUNSEL