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Operations Policy & Country Services

Setting Standards for Sustainable Development

Update and Review of the World Bank's Safeguard Policies

Road-Testing Inspection Panel Cases

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Guiding Question

- **How, if at all, is the role of the Inspection Panel affected?**
- **How could the new proposed ESF have helped to better identify and manage potential safeguards risks?**

The new proposed ESF: clearer accountability

- The Inspection Panel mandate is not changed
- Wider range of issues to which accountability applies

Case Studies

Kenya Electricity Expansion Project

Project facts:

- **Project Objectives:** (a) increase capacity, efficiency, quality of electricity supply; (b) expand access
- **Financing (US\$):** 330 million (IDA)
- **Approved:** May 2010,
- **Environmental Category:** A
- **Safeguards Triggered:** Environmental Assessment (OP 4.01), Natural Habitats (OP4.04), Indigenous Peoples (OP 4.10), Involuntary Resettlement (OP 4.12)
- **Safeguards Instruments prepared at appraisal:** Environmental and Social Impact Analysis (ESIA) for two power plants; Resettlement Action Plan (RAP) for one power plant; draft ESIA and RAPs for three transmission lines; draft Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) for Distribution; Indigenous Peoples Planning Framework (IPPF) – not applied to the Maasai

Project components

- Construction of 280 MW of geothermal generation capacity in Naivasha
- Transmission-construction of three 132- kV transmission lines
- Distribution: (a) upgrade and extend electricity distribution networks; (b) electrify priority loads in rural areas; (c) provide grants for slum electrification;
- Sector and institutional development support training, institutional development; M&E; project implementation support

Kenya Electricity Expansion Project: Road-Testing

ESS	Panel Findings	Proposed ESF
ESS5	Lack of compliance with regard to identification of project affected people (methodological flaws in the process); failure to ensure that displacement did not occur before resettlement elements were in place; housing solution offered without providing each household a choice and not ensuring consistency with cultural preferences	Requirement for corrective action as necessary during implementation (such as livelihood restoration); focus on vulnerable project-affected peoples; clearer obligation to provide adequate housing for landless; clearer requirements for tenure arrangements at resettlement site, productive potential of replacement land, requirement to conduct census as part of E&S assessment, including identification of seasonal resource users; specific requirement regarding clear communication of cut-off date in relevant local languages; Relevant requirements maintained: consultation on relocation alternatives; productive potential of replacement land; conditions regarding resettlement site; focus on vulnerable PAPs
ESS7	Lack of compliance due to failure to apply policy to the Maasai community in the project area	Both OP 4.10 and ESS7 apply to pastoralists that meet the criteria. ESS7 is drafted more explicitly to indicate that Standard applies to “forest dwellers, hunter-gatherers, pastoralists or other nomadic groups”; Consultation with IP expressly requires involvement of IP representatives, allowing sufficient time for their decision-making process; divergent interests of IPs would have been better identified; better participation of Elders in GRM; criteria for identification of IP remain the same.
ESS10	Serious shortcomings in achieving meaningful consultations and inclusive participation in the resettlement activities due to ineffective communication with the community (sidelining of	More systematic and ongoing stakeholder engagement and meaningful consultation process (in local language)-see ESS7; requirement for Stakeholder Engagement Plan (SEP); specific requirement to disclose information about the status of resolution of all grievances under GRM; continuous consultations could have helped identify post-resettlement issues faster

Nepal Power Development Project

Project facts

- **Project Objectives:** To increase access to electricity in rural areas; and improve the quantity and efficiency of electricity supply.
- **Financing (US\$):** 50.4m (IDA); 25.2m (IDAC)
- **Approved:** 22-May-2003
- **Environmental Category:** A
- **Safeguards Triggered:** Environmental Assessment (OP 4.01), Natural Habitats (OP 4.04), Indigenous Peoples (OP 4.10), Involuntary Resettlement (OP 4.12); Physical Cultural Resources (OP 4.11), Forests (OP 4.36), Safety of Dams (OP 4.37), International Waterways (OP 7.50)
- **Safeguards Instruments prepared:** Strategic Environmental Assessment (SEA), Environmental and Social Impact Analysis Framework (ESIA) Environmental Assessment (EA), Resettlement Action Plan (RAP), Environmental Management Plan (EMP) and Vulnerable Communities Development Plan (VCDP)

Project components:

The components of the Project are: (i) establishment of a Power Development Fund (PDF), implemented by the Department of Electricity Development (DoED); (ii) a Micro Hydro Village Electrification Program, implemented by the Alternative Energy Promotion Centre; and (iii) NEA component, including the KD Transmission Line, implemented by NEA.

Nepal Power Development Project: Road-Testing

ESS	Panel Findings	Proposed ESF
ESS1	Lack of compliance with regard to limited and restricted analysis of alternatives of the transmission line alignment and institutional analysis and capacity building of the project implementing agency	More emphasis on client capacity building would have identified problems with implementing agency earlier; third party monitoring may have helped overcome monitoring challenges due to civil unrest
ESS5	Lack of compliance with regard to updating Resettlement Action Plan; delays in compensation payment and confusion about payment timing; delays and inconsistencies in provision of R&R assistance to displaced households; lack of appropriate and accessible grievance mechanisms	Requirement to take corrective action as necessary during implementation to achieve objectives of ESS5; Adaptive risk management allows to update risk management tools as and when new issues arise; stronger provisions on GRM; more systematic approach to consultations on relocation alternatives
ESS7	In compliance with OP 4.10 (Indigenous Peoples)	N/A
ESS10	Lack of compliance with regard to failure to ensure adequate, timely and meaningful consultations during project preparation and implementation	More systematic and continuous stakeholder engagement could have helped to identify issues faster, especially in post-conflict situations; strengthened approach to meaningful consultations

Kenya Natural Resources Management Project: Road-Testing

Project Facts:

- **Project Objectives:** “to enhance the Recipient’s institutional capacity to manage water and forest resources, reduce the incidence and severity of water shocks, such as drought, floods and water shortage in river catchments and improve the livelihoods of communities in the co-management of water and forest resources.”
Financing (US\$): 68.5
- **Approved:** March 2007
- **Environmental Category:** B
- **Safeguard Policies Triggered:** Environmental Assessment (OP 4.01), Indigenous Peoples (OP 4.10), Involuntary Resettlement (OP 4.12); Forests (OP 4.36), International Waterways (OP 7.50)
- **Safeguard Instruments prepared at appraisal:** Environmental and Social Management Framework (ESMF); Indigenous Peoples Policy Framework (IPPF); Resettlement Policy Framework (RPF)
- **Safeguard instruments prepared during implementation and after restructuring:** Vulnerable and Marginalized Group Plans (VGMPs) (IPPs equivalent); Process Framework (PF)

Project components: (i) water resources management and irrigation, (ii) management of forest resources, (iii) livelihood investments in the upper tana catchment.



Kenya Natural Resources Management Project: Road-Testing

ESS	Panel Findings	Proposed ESF
ESS1	More attention should have been given from the outset to identify eviction risks for affected people and adequately mitigate them; lack of compliance with regard to institutional analysis of the capacities of the implementing agency	Integrated ESIA would help to better identify and mitigate eviction risk; risk rating of the project could have been reviewed and changed under adaptive risk management in response to new challenges; more emphasis on client capacity building would have helped overcome capacity issues with implementing agency earlier
ESS5	Lack of compliance with regard to follow-up actions to the RPF through a RAP; project documents incongruous with Management's position that no resettlement was planned under the Project	Increased emphasis on client capacity building could avoid problems with relocation of Indigenous Peoples (implementation agency lacked capacity to manage relations with communities); adaptive risk management allows to update risk management tools as and when new issues arise
ESS7	Meaningful compliance with the resettlement policy requires more consideration of community's attachment through a particularly designation; lack of compliance with regard to failure to consider customary rights to forest resources	Improved engagement process, FPIC, and establishment of GRM would have identified IPs' land rights aspirations and related issues, internal divisions within community and the unrealistic provisions of the IPPF in project preparation; explicit prohibition of forced eviction of IPs
ESS10	Absence of consultation on restructured project raises issue of compliance with OP 4.10 (Indigenous Peoples)	More comprehensive and systematic stakeholder engagement throughout life of project to inform adaptive risk management, identify unacceptable events such as evictions, highlight concerns regarding implementation, and recognize social issues within communities early on

Conclusions

- Significantly broader coverage of **social issues**
- **Capacity building** approach in ESF will help with improvement of institutional capacity on borrower side; early identification of capacity issues
- More systematic, ongoing, and more inclusive **stakeholder engagement** will help identifying and addressing stakeholder issues early
 - Stakeholder engagement required to be better adjusted to customs and local specifics
 - More explicit requirements for GRM
- **Implementation** remains major challenge

Discussion