

April 4, 2012

Mr. Robert B. Zoellick  
President  
The World Bank  
1818 H Street, NW  
Washington, DC 20433

Re: Safeguard Review - Involuntary Resettlement

Dear Mr. Zoellick,

We welcome the World Bank's Safeguard Review and the announced public consultations on the much-needed up-date of the Safeguard Policies to reflect best practices and the state of the art in development thinking.

In order to provide a basis for a meaningful review and public consultation, we are writing to you today to request disclosure of available data on the resettlement impacts of Bank projects to date and urge the Bank to conduct an evaluation of implementation of OP 4.12 on Involuntary Resettlement (2001). This information and analysis is critical to an effective review and consultation process.

In 1980 the World Bank was the first multilateral institution to adopt a policy intended to mitigate the serious risks of displacement and impoverishment of people affected by Bank-supported operations.<sup>1</sup>

At present, however, we are faced with a dearth of public data and information on involuntary resettlement induced by Bank-financed programs. This is disturbing given that a resettlement plan, including inventory of losses and other baseline data, is required for projects that have displacement impacts and that careful monitoring of involuntary resettlement is critical to ensuring that affected people are not harmed.

According to the Independent Evaluation Group (IEG) Safeguards Study of 2010, OP 4.12 was triggered in 30% of World Bank projects.<sup>2</sup> However, the IEG was unable to obtain statistics and data from the World Bank to ascertain the magnitude of project-induced involuntary resettlement. Since compensation and other costs associated with resettlement should be included in project budgets, it is surprising that statistical data do not appear to be readily available.

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<sup>1</sup> "Social Issues in World Bank Financed Projects with Involuntary Resettlement", Operational Manual Statement (OMS) 2.33 of 1980.

<sup>2</sup> Independent Evaluation Group, "Safeguards and Sustainability in a Changing World- An Independent Evaluation of the World Bank Group Experience", 2010,p.84.

In the absence of data from World Bank sources, the IEG uses a sample and estimates that **at any point in time over one million people** are affected by involuntary resettlement in active Bank financed projects.<sup>3</sup>

Even this number of affected people may be too conservative an estimate given the Bank's growing financing for infrastructure development, land management, distribution and similar projects. The last Bank-wide Review on Involuntary Resettlement dates back to 1994 and referred to two million people being affected over an eight-year period.<sup>4</sup>

Physical and economic displacement, entailing the loss of affected people's land, homes, livelihoods and communities, are among the most adverse impacts of Bank-financed projects. Such adverse impacts are likely to rise in view of the expansion of the Bank's core business of infrastructure development. Furthermore, problems related to involuntary resettlement have been the third most cited complaint in cases submitted to the Inspection Panel.

The Bank is very much attuned to the financial risks of the projects it supports. As an institution that places poverty alleviation at the core of its mission, it must give due consideration to the significant risks of impoverishment that involuntary resettlement places on affected people who often belong to the most marginalized strata of their societies.

Yet, there appears to be a lack of transparency on the number of people affected and on the projects and sectors in which involuntary resettlement occurs. As the Bank reviews its OP 4.12 and as it seeks to support investment for development-oriented resettlement, empirical research on resettlement policy implementation is critical to inform the debate about the Bank's approach to involuntary resettlement. Where has the approach worked well and where has it faltered? Should the scope of OP 4.12 be expanded and how should it be applied to non-infrastructure projects? What specificity might be required in the OP and what funding arrangements are necessary to ensure its implementation?

We would therefore request that the Bank disclose all available data on the magnitude of resettlement for the projects and sectors concerned, obtain and disclose any additional data required to ascertain the magnitude of Bank project-induced involuntary resettlement, and commission an independent study on the outcomes and lessons learned from the implementation of OP 4.12 since its adoption in 2001. We would hope that all of this information and study could be completed and publicly available prior to the release of the first draft of a resettlement policy update.

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<sup>3</sup> Ibid., p. 20.

<sup>4</sup> The World Bank, Environment Department, "Resettlement and Development – The Bankwide Review of Projects Involving Resettlement 1986-1993", 1994 p. i.

For further information and contact: Korinna Horta at Urgewald in Germany (korinna@urgewald.de) and Chad Dobson at the Bank Information Center in Washington, D.C. (cdobson@bicusa.org).

## **Signatories**

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FARN, La Fundación Ambiente y Recursos Naturales), Argentina

Voices for Interactive Choice and Empowerment, Bangladesh

11.11.11 – Coalition of Flemish North-South Movement, Belgium

CNCD – 11.11.11, Belgium

Ecologia e Ação, ECOA, Brazil

Amigos da Terra-Amazonia Brasileira, Brazil

Burma Environmental Working Group, Burma

Karen Environmental and Social Action Network, Burma

Community Development for Sustainable Livelihood (CDSL), Cambodia

Inclusive Development International, Cambodia

Relufa, Cameroon

Friends of Nature, China

ILSA - Instituto Latinoamericano de Servicios Legales Alternativos, Colombia

Egyptian Center for Economic and Social Rights, Egypt

Egyptian Center for Housing Rights, Egypt

Egyptian Earth Construction Association (EECA), Egypt

Forum of Dialogue and Participation for Development, Egypt

Kenouz Sinai for Economic Development and Protection of the Environment, Egypt

Sowtona "Our Voice" Network of NGOs, Egypt

Tarek Waly Center, Architecture & Heritage, Egypt

Les Amis de la Terre, France

Urgewald, Germany

Dialogue on Indigenous Culture and Environment (DICE) Foundation, India

HuMA (Perkumpulan untuk Pembaharuan Hukum Berbasis Masyarakat dan Ekologis), Indonesia

Campagna per la Riforma della Banca Mondiale (CRBM), Italy

Japan Center for a Sustainable Environment and Society (JACSES), Japan

Institut de Recherche et de Promotion des Alternatives en Developpement (IRPAD-Afrique), Mali

Justiça Ambiental, Mozambique

Water & Energy Users' Federation-Nepal (WAFED), Nepal

BothEnds, Netherlands

DAR - Derecho, Ambiente, Recurso Natural, Peru

African Rivers Network (ARN), Uganda

National Association of Professional Environmentalists (NAPE), Uganda

Bretton Woods Project, UK

Forest Peoples Programme, UK

Rainforest Foundation, UK

Bank Information Center, USA

Center for International Environmental Law (CIEL), USA

Friends of the Earth, USA

The Global Initiative for Economic, Social and Cultural Rights, USA

International Accountability Project, USA

International Rivers, USA

Ulu Foundation, USA

Center for Sustainable Development in Mountainous Areas, Vietnam

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