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OCTOBER 2013

# Human Rights and the World Bank: Case Studies from IDA Countries

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# Executive Summary

**World Bank projects have significant impacts on human rights.** The Bank narrative cites ways in which Bank projects contribute to the realization of human rights such as, “access to health, education, food and water, promoting the participation of indigenous peoples in decision-making and the accountability of governments to their citizens, supporting justice reforms, fighting corruption and increasing transparency of governments.” However, the accounts of civil society and communities affected by IDA projects tell a different story. Many Bank projects have clear winners and losers—and all too often the poorest and most vulnerable end up on the losing side.

**This publication outlines several cases where the World Bank has used IDA funds in ways that threaten the human rights of the most vulnerable people in the world’s poorest countries.** The cases, in Africa, Asia and Central Europe, show how loopholes, gaps and deficiencies in the current suite of safeguard policies can lead to impoverishment and serious violations of human rights when, for example, people are displaced, children are forced to work and people with disabilities or indigenous communities are not meaningfully consulted. The cases also show how gaps in the safeguards can lead to environmental damage including unnecessary contribution to climate change.

**The Bank must adopt stronger safeguards that ensure respect for human rights.** The Bank has never adopted a clear policy on avoiding or mitigating adverse impacts on human rights. However, the World Bank is currently reviewing its operational policies, known as “safeguards,” that are meant to address potential harms stemming from World Bank projects. These policies must be strengthened by incorporating clear, enforceable requirements—for both Bank and borrower—that ensure respect for human rights in all activities supported by the Bank.

**Negotiations for the 17th replenishment of IDA funds—a process that takes place every three years—are currently underway.** When negotiations are finalized, and an agreement is reached at the Bank, the U.S. Congress will be asked to approve the U.S. contribution to IDA. This provides Congress with a crucial opportunity to insist on strong safeguard policies, binding on both the Bank and borrowing countries, that ensure respect for human rights.

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Photo courtesy of Human rights Watch

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# FORCED VILLAGIZATION

## BACKGROUND

In implementing development programs, including those that are donor funded, the Ethiopian government has routinely discriminated against people on the basis of their perceived or real political opinions. Since 2010, the Ethiopian government has also been in the process of relocating 1.5 million people in five regions under the government's three year "villagization" program. The program affects many indigenous peoples and other marginalized groups, who have been forcibly relocated from their areas of origin to new villages where the government claimed there would be improved access to infrastructure and basic services.

Project:  
**Promoting Basic Services (PBS)**

IDA Commitment:  
**\$1,990,000,000.00**

Status:  
**Active (Phase III)**

Approved:  
**May 25, 2006 (Phase I)**

US Position:  
**Abstain (All Phases)**

## SAFEGUARDS ISSUE

In the wake of Ethiopia's violent crackdown on opposition supporters in 2005, direct budget support to Ethiopia was suspended. PBS was designed to transfer block grants to national and subnational government budgets for the purpose of increasing access to basic services, including access to education, health, water supply and sanitation. However, due to the Ethiopian government's repressive practices, the program raises serious human rights risks with respect to discrimination, repression of dissent, and forced "villagization"—a key vehicle for achieving development objectives

in Ethiopia, including those envisioned under PBS. Nevertheless, the Bank did not apply its safeguards to Phase III of PBS, approved in 2012, despite hearing directly from several refugees who testified to witnessing or experiencing the violent nature of forced villagization before the Board vote approving Phase III. The Bank justified the nonapplication of safeguards by claiming that it only funds recurrent expenditures, such as public servant salaries, and not capital expenditures. An Inspection Panel complaint to determine whether Bank staff complied with its policies is pending.

**...the World Bank has failed to identify, mitigate or avoid the various human rights risks that this program raises with respect to discrimination, repression of dissent, or forced "villagization"**

## RECOMMENDATIONS

World Bank safeguard policies should require ongoing human rights due diligence measures, including a human rights impact assessment that identifies and analyzes human rights risks throughout the course of a project. Undertaking such due diligence would enable the Bank to navigate challenging political environments and avoid contributing to human rights violations. Safeguard policies should apply to all Bank operations at risk of having adverse social and environmental impacts, irrespective of the financing structure and whether they are directed recurrent or capital expenditures.

This information was largely drawn from a case study by Human Rights Watch: Discrimination, Repression, and Forced "Villagization" in Ethiopia: Ethiopia PBS Program (2013). For more information, see [www.inclusivedevelopment.net/ethiopiacasestudy](http://www.inclusivedevelopment.net/ethiopiacasestudy)

# GIBE III DAM TRANSMISSION LINE

## BACKGROUND

The East Africa Power Pool (EAPP), established in 2005, aims to connect the power grids of nine countries in East Africa, including Ethiopia and Kenya. As part of the EAPP, a new 1870 MW dam, known as Gibe III and a new transmission line transporting electricity from Ethiopia to Kenya’s power grid are being constructed. Although the World Bank declined to fund Gibe III—due to serious concerns about its potential impacts on the environment and human rights—it is funding the transmission line through EEHP. Most of the electricity transmitted from Ethiopia along the transmission line will be generated by Gibe III. The transmission line and Gibe III are therefore part of an integrated power system to which the Bank is contributing significant support.

Project:

**Eastern Electricity Highway Project (EEHP)**

IDA Commitment:

**\$684,000,000.00**

Status:

**Active**

Approved:

**July 12, 2012**

US Position:

**Support**

**As long as the Bank claims that a related project is not an “associated facility” of the project the Bank has agreed to fund, the related project is not subject to World Bank safeguard policies.**

## SAFEGUARDS LOOPHOLE

The World Bank’s safeguard policies prevent it from investing in harmful projects like the Gibe III dam. However, a significant loophole in the safeguards currently allows the Bank to fund even the most destructive projects through the back door. As long as the Bank claims that a related project, like Gibe III, is not an “associated facility,” the safeguard policies—including environmental assessment and the indigenous people’s policy—do not apply. In this case, the Gibe III dam would fail to meet key requirements of these safeguard policies.

## RECOMMENDATIONS

The Bank determines whether a project is an “associated facility” by evaluating whether it comes within a project’s “area of influence”—a vague definition that allows excessive discretion to Bank staff to determine where its safeguards apply and where they do not. This definition must be expanded beyond “area of influence” and the loophole must be closed by including facilities that are important to the functioning of a proposed project. Projects like the the Gibe III Dam that are clearly important to the project in this case, must be categorized as an associated facility, and subject to the entire suite of World Bank safeguards.

This information was largely drawn from a case study by the Bank Information Center: Josh Klemm, Determining a project’s area of influence: Lessons for the World Bank safeguards review, A Case Study of the East Africa Electricity Highway Project and the Gibe III Dam (2013), on file with Bank Information Center, available upon request.

# Bujagali Hydro-Power Dam

## BACKGROUND

The construction of the 250 megawatt Bujagali hydropower dam project in Uganda was initially began in the late 1990s. The dam was expected to bring economic benefits by increasing access to electricity and thus generating investment, especially in the industrial sector, thereby reducing poverty through increased employment. Due to this project, about 8,700 people were displaced, resettled or lost assets. In 2001 some 35 households with about 350 members were resettled in Naminya. The resettled people were promised many benefits including electricity in their homes, clean water, land titles, schools, a health center, markets and roads, yet few of these benefits materialized.

Project:

**Bujagali Hydropower**

Initial IDA Commitment:

**\$115,000,000.00**

Status:

**Ongoing**

Initially Approved:

**December 18, 2001**

US Position:

**Not Available**

## INSUFFICIENT SAFEGUARDS

Physical displacement that occurs as a result of Bank funded activities, often leads to long-term hardship and impoverishment of the affected communities. Poor and vulnerable groups, including children, are particularly at risk when development activities result in displacement. Research has shown that children are more severely affected and may be less able than others to rebuild their lives after resettlement. However, the World Bank's resettlement safeguard policy (OP 4.12), one of the only Bank policies to even mention children, simply includes children in a laundry list of vulnerable groups—including indigenous peoples and the elderly—each of

which have very different needs.

In this case, there were a number of children among the displaced. The insufficient compensation given to their parents resulted in many families lacking food, which particularly affected the children, causing them to suffer malnourishment and to frequently fall sick. Illnesses were exacerbated by the lack of access to medical care. Schools were so far away from the resettlement site that it was almost impossible for very young children and children with disabilities to attend, causing them to miss out on vital educational opportunities. Some children were forced to miss school in order to find work to cover school fees that their parents could no longer afford.

**“Schools were so far away from the resettlement site that it was almost impossible for very young children and children with disabilities to attend, causing them to miss out on vital educational opportunities.”**

## RECOMMENDATIONS

The World Bank should revise its safeguard policies to ensure that children who are displaced do not lose access to education services, including inclusive education for children with disabilities, and must also ensure that the displacement of families does not negatively impact parents' abilities to earn a living that is sufficient to provide proper nutrition and healthcare for children. The Involuntary Resettlement Policy and other safeguards should be harmonized with international standards on child rights, evictions and displacement.

This information was largely drawn from a case study by the Bank Information Center: Phiona Nampungu & Diana Kasabiiti, *The Impact Of Involuntary Resettlement On Children: A Case Study of the International Development Association Funded Bujagali Hydro-Power Dam Naminya Resettlement Area* (2013), available at [www.bicusa.org/childrights](http://www.bicusa.org/childrights).



# Post Conflict Reconstruction

## BACKGROUND

As a result of the economic stagnation arising out of two decades of insurgency by the Lord's Resistance Army and cattle rustling in the north and some parts of eastern Uganda, the government of Uganda instituted a number of development programs, including NUSAFII, with funding from IDA. The purpose of the project was to improve access to income earning opportunities, as well as socio-economic services, including schools and health centers. Persons with Disabilities (PWDs) were listed as one of the principal target beneficiaries of the project.

Project:  
**Uganda**

IDA Commitment:  
**\$100,000,000.00**

Status:  
**Active**

Approved:  
**May 28, 2009**

US Position:  
**Support**

**Persons with disabilities, often some of the poorest and most vulnerable people in countries where the World Bank operates, are not systematically consulted or considered in the planning and design of projects.**

## SAFEGUARDS LOOPHOLE

PWDs are much more likely to experience poverty than others, and are often amongst the poorest and most vulnerable people in IDA countries. War and conflict in many developing and transition countries result in a higher number of PWDs due to violence and trauma. Yet, they are rarely considered in the planning and design of projects. Current safeguard policies do not specifically address the unique needs of PWDs, and consultations with PWDs are sporadic—if they exist at all—and are often inaccessible.

In the case of NUSAFII, consultations with PWDs did not include sign language interpretation or provide information in Braille. Those who are deaf and visually impaired therefore had challenges communicating their needs and accessing information. In addition, PWD leaders who participated in the consultation process were not able to successfully advocate for the inclusion of disability issues in the program design. Ultimately, subprojects like boreholes were not designed to be accessible, making access to clean drinking water difficult for PWDs.

## RECOMMENDATIONS

The World Bank should mandate systematic inclusion of disability into all Bank operations, ensuring that all relevant Bank-funded projects are inclusive in design and implementation. The Bank must also ensure that strong, clear policy language on disability mainstreaming and inclusive development, modeled after the United Nations Convention on the Rights of Persons with Disabilities, is incorporated into the updated safeguards.

This information was largely drawn from a case study by the National Union of Disabled Persons of Uganda: Edson Ngirabakunzi & Joseph Malinga, *The Impact Of NUSAF II In The Lives Of Persons With Disabilities In Northern Uganda, A Case Study Of Patiko Sub County In Gulu District 2013*, available at [www.bicusa.org/disability](http://www.bicusa.org/disability).

# Timber Concession Reform

## BACKGROUND

The Democratic Republic of Congo (DRC) is home to the Congo Rainforest, which is the second largest block of rainforest on earth. DRC's forests hold 8% of the world's carbon, substantial biodiversity, and provide food, medicine, and livelihoods for 40 million Congolese people.

Forest sector reform has historically had little success in alleviating poverty in Africa, particularly in places with existing governance and corruption issues. Nevertheless, when the World Bank re-engaged in the DRC in 2001—nearly a decade after suspending lending operations there due to widespread conflict and political instability—it committed billions of dollars in the first five years to projects with significant forest-related components. One of those projects, a Development Policy Loan (DPL) known as TSERO, involved a critical timber concession reform component.

Project:

[Transitional Support for Economic Recovery Grant Operation \(TSERO\)](#)

IDA Commitment:

[\\$90,000,000.00](#)

Status:

[Closed](#)

Approved:

[December 8, 2005](#)

US Position:

[Abstain](#)

**...the Inspection Panel could not apply the safeguard requirements to its analysis of TSERO—which also contributed to the harms at issue in the case—because, as a DPL, it is not subject to the Bank's safeguard policies.**

## SAFEGUARDS LOOPHOLE

In 2005 an indigenous Pygmy organization in the DRC filed an Inspection Panel request expressing concerns regarding the Bank's engagement in the forest sector. In its report, the Panel stated that although it is important for the Bank to remain engaged in the forest sector in DRC, it had violated several safeguard policies by, among other things, failing to consider the presence of Pygmy peoples in the area, and the lack of meaningful participation by Pygmy peoples and local communities. However, the Inspection Panel could not apply the safeguard requirements to its analysis of TSERO—which was one of several operations contributing to the harms at issue in the case—because, as a DPL, it is not subject to the full suite of Bank's safeguard policies.

## RECOMMENDATIONS

Instruments such as DPLs and other non-investment lending activities are a growing portion of the Bank's portfolio, and are deployed in highly sensitive sectors generally dominated by powerful, international interests. Yet, DPLs are not covered by safeguards meant to protect against harms to communities that often lack the knowledge and political capital to successfully advocate to protect their interests. Given their potential to cause harm to local people and the environment, it is imperative that DPLs be subject to the full suite of Bank safeguards.

This information was largely drawn from a case study by the Bank Information Center: Rachel Baker, *The Need to Extend Safeguard Coverage to Development Policy Lending: A Case Study of the Inspection Panel Investigation on International Development Association Funded Timber Concession Reform in the Democratic Republic of Congo* (2013), available upon request.

This case study was shared with the Bank in September, 2013. Although the Bank disagreed with our analysis that their involvement in logging concessions resulted in harmful social and environmental consequences--based on their belief that their involvement led to a reduction in the area placed under concession--they were unable to point to any positive effects of their policy loan on poverty alleviation or on the capacity of DRC to implement a sustainable logging concessions system.

# Coal-Fired Power Plant

## BACKGROUND

The energy sector in Kosovo is currently powered by some of the highest polluting lignite power generation in Europe, an old and inefficient transmission and distribution grid. It is plagued by high technical and commercial losses. The poor condition of the grid system means that Kosovo continues to face energy shortages on a regular basis, which hampers economic and social development.

The Bank is considering a new energy project as a low cost, low carbon solution to Kosovo's energy issues. The project includes building a new lignite coal-fired power plant, along with a new open-cast lignite mine just outside the capitol city of Prishtina. Lignite, or brown coal, is the lowest rank of coal, emitting far more carbon dioxide into the atmosphere than other forms of coal.

Project:  
[Kosovo Power Project](#)

IDA Commitment:  
**\$50,000,000.00**

Status:  
[Pipeline](#)

Approved:  
[Not Available](#)

US Position:  
[Not Available](#)

**The true ecological and health costs of coal are far greater than its current market price.**

## SAFEGUARDS ISSUE

In 2010 the World Bank agreed to focus on climate change as a special theme for IDA16—the three year replenishment period of the fund for the world's poorest. Yet, this commitment failed to lead to binding standards for how the Bank should avoid investments that negatively impact climate. Therefore, the Bank has been able to press forward without fully accounting for the impacts of the proposed project on climate, or giving serious consideration to alternative, renewable energy sources. The true ecological and health costs of coal are far greater than its current market price. Accounting for the many external costs over the life cycle of coal-derived electricity would likely double or triple the price of coal per kWh of electricity generated. In this case, a rigorous analysis of alternatives, would have shown that a mixture of efficiency and technical improvements, regional grid integration as well as renewable options can provide a lower cost alternative for Kosovo's energy needs if the true costs of coal production and use are included.

## RECOMMENDATIONS

The Bank's revised safeguard policies must include clear requirements for projects that have potential climate-related impacts, including a full cost accounting of the project, including ecological and health costs, and rigorous consideration of alternative, renewable sources of energy.

This information was largely drawn from a case study by the Bank Information Center: Heike Mainhardt, The World Bank Kosovo Power Project: Undermines IDA-16 Gender and Climate Change Commitments (2013), available upon request.

# Agriculture Sector Support

## BACKGROUND

**Forced child labor in the Uzbek agriculture sector, primarily in the harvesting of cotton, Uzbekistan's most important cash crop, costs the nation's children tens of millions of hours of school time annually and exposes the children to serious health and safety risks. The systemic, government orchestrated forced labor in Uzbekistan has been widely condemned by the International Labour Organization (ILO), United Nations bodies, the European Union, the United States, private companies, and a myriad of non-governmental organizations.**

Project:  
**Second Rural Enterprise Support Project (RESPII)**

IDA Commitment:  
**\$40,000,000.00**

Status:  
**Active**

Approved:  
**September 11, 2012**

US Position:  
**Abstain**

**Despite the overwhelming evidence of forced labor in the agriculture sector of Uzbekistan, the social assessment carried out prior to the approval of the RESP II loan barely dealt with the issue of child or forced labor in the cotton fields...**

This information was largely drawn from a case study by the Bank Information Center & Ezgulik: The Need for Child Impact Assessments: A Case Study of the International Development Association Funded Uzbekistan Rural Enterprise Support Project-Phase II (2013), available at [www.bicusa.org/uzbekistan](http://www.bicusa.org/uzbekistan).

## SAFEGUARDS ISSUE

In planning for and approving the RESP II loan to the government of Uzbekistan, a project which directs funds towards the agriculture sector, the World Bank failed to properly assess and address the issue of forced labor. Despite the overwhelming evidence of forced labor in the agriculture sector of Uzbekistan, the social assessment carried out prior to the approval of the RESP II loan looked only at the issue of child labor in the cotton fields, and even this cursory analysis contained a number of inconsistencies and errors. The quality of the assessment was so poor that the Bank failed to list forced labor as a project risk and instead expressed concern only about the potential for NGOs to continue raising the child labor issue with the Bank.

Public World Bank documents relating to the project wholly ignored the fact that child labor in the cotton fields is not incidental or instigated by families or local communities but rather is part of a systematic campaign of forced labor orchestrated by the Uzbek government.

## RECOMMENDATIONS

The World Bank must require social assessments to specifically assess the unique impacts of a project on children. Such a requirement should be part of a strengthened environmental assessment policy that requires the World Bank to conduct the necessary human rights due diligence prior to project approval. Additionally, the World Bank should recognize the role that violations of labor rights play in perpetuating poverty and adopt a labor safeguard that requires compliance with fundamental ILO conventions.

# Land Management and Administration

## BACKGROUND

Land tenure insecurity, land conflict and forced displacement have become a disturbing feature of Cambodia's post-conflict landscape. LMAP was the first phase of a land reform program aimed at strengthening land tenure security through the issuance of land titles to Cambodian households, among other goals. Thousands of households living around Boeung Kak Lake in central Phnom Penh, with land rights recognized under the land law, should have benefitted from the program. However, in 2008, the Municipality of Phnom Penh granted an illegal 99-year lease over the Boeung Kak area to a well-connected private developer. The residents were therefore excluded from claiming title, and over the next several years, more than 3,500 families were forcibly evicted from their homes without resettlement assistance.

Project:  
**Cambodia Land Management and Administration Project**

IDA Commitment:  
**\$24,300,000.00**

Status:  
**Closed**

Approved:  
**February 26, 2002**

US Position:  
**Not Available**

## SAFEGUARDS ISSUE

Although a Resettlement Policy Framework (RPF) was created for the project, in practice no attention was paid to clarifying with the Cambodian government how the RPF would apply. The Inspection Panel later found that the Bank breached its Involuntary Resettlement Policy due to the failure to implement the RPF. However, the displaced Boeung Kak families have yet to receive any remedy for the grave harms they suffered as a result of the Bank's failure to supervise implementation of the RPF.

## RECOMMENDATIONS

The World Bank should clarify the application of the Involuntary Resettlement Policy to all projects that have direct implications for existing land tenure arrangements, leading to displacement or restrictions on access to resources. The revised safeguards framework should also guarantee the right to an effective remedy, including the right to reparations, for people who have suffered human rights violations and other harms resulting from displacement and resettlement.

This information was largely drawn from a case study by Inclusive Development International: Natalie Bugalski & David Pred, A Case Study on the Land Management and Administration Project in Cambodia (2013), available at [www.inclusivedevelopment.net/cambodiacasestudy](http://www.inclusivedevelopment.net/cambodiacasestudy)

**...the displaced Boeung Kak families have yet to receive any remedy for the grave harms they suffered as a result of the Bank's failure to supervise implementation of the Resettlement Policy Framework.**

For more information on the content of this publication, including the World Bank's response to the case studies on which it is based, please contact:

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