

## **Inspection Panel Report and Recommendation India – Vishnugad Pipalkoti Hydro Electric Project**

**September 30, 2014**

### **U.S. Position**

The United States welcomes discussion of the Management Report and Recommendation (MRR) in response to the Inspection Panel Investigation Report for the India – Vishnugad Pipalkoti Hydro Electric Project. The United States welcomes the Panel’s finding that, for the most part, the Project has remained in compliance with World Bank policies and procedures and that Management has undertaken significant actions to introduce best practices in the context of hydropower development.

The United States also appreciates Management’s constructive response to the Panel report. Specifically, the United States welcomes Management’s commitments in response to the Panel’s two findings of non-compliance and other issues of concern discussed in the Panel report. However, in the interest of clarity, accountability and continual improvement, the United States would also expect to see the following elements in each MRR:

1. A consolidated, detailed, time-bound action matrix; and
2. A clear roadmap (format and frequency) for periodic reporting to the Board on the progress of such actions.

Specifically, the matrix of proposed actions should identify – with respect to each issue of concern and Panel finding – the specific actions that have been or will be taken in response, by whom, and by when. The United States appreciates that many of these elements were included in the Summary of Management Actions that was recently provided, but a summary this important should be routinely included in the MRR itself.

Without this specificity, it is difficult to assess the adequacy of Management’s response. For example, the Panel report notes that Management had previously indicated that it will convey to the project implementing agency, Tehri Hydro Development Corporation Ltd (THDC), additional environmental protection measures based on the recommendations of the cumulative impact assessments. However, there was no discussion in the MRR on what, if any, recommendations have been conveyed to THDC beyond the increase in minimum environmental flow; no proposed follow-up actions with respect to any of the recommendations; and no structured process or timeline for completion of any such actions. *Would Management please explain this gap in its response, as the response currently does not provide sufficient assurances that these actions will happen.*

Bank engagement in hydropower development must be held to the highest standards of project design and implementation, including meaningful consultations and full consideration and mitigation of environmental and social impacts, as required by Bank policies and procedures. The United States reaffirms our strong commitment to the Bank’s oversight and accountability mechanisms, including the Panel process, in helping to achieve these high

standards. The United States commends the Panel for its careful analysis of the requesters' claims with respect to the Project, and Management for its constructive response and commitment to fully compliant Project implementation. The United States looks forward to following the progress of these commitments through periodic reporting to the Board.