



**ADB Accountability Mechanism
Compliance Review Panel**

**Annual Monitoring Report to the Board of Directors
2008–2009**

on the

Implementation of Remedial Actions

for the

Chashma Right Bank Irrigation Project (Stage III) in Pakistan

8 June 2010

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ABBREVIATIONS

ADB	–	Asian Development Bank
BCRC	–	Board Compliance Review Committee
BIC	–	Board Inspection Committee
CRP	–	Compliance Review Panel
GRSC	–	grievance redress and settlement committee
NWFP	–	North-West Frontier Province (Pakistan)
WAPDA	–	Water and Power Development Authority

CURRENCY

\$	United States dollar
PRs	Pakistan rupees

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

About the Compliance Review Panel

The Compliance Review Panel (CRP) is a three-member independent body appointed by the Board of Directors of the Asian Development Bank (ADB). The CRP carries out the compliance review phase of the ADB Accountability Mechanism. People who are or may be directly, materially, and adversely affected by an ADB-assisted project in the course of its formulation, processing, or implementation can file a request for compliance review with the CRP after going through the consultation phase of the Accountability Mechanism.

The CRP investigates whether the harm suffered by project-affected people is caused by ADB's noncompliance with its operational policies and procedures and recommends remedial actions to the Board. It also monitors the implementation of Board-approved remedial actions and provides the Board with reports at least annually for a period of 5 years unless otherwise specified. The CRP reports directly to the Board on all activities except clearing its terms of reference for a compliance review and reviewing its draft monitoring reports. In these instances it reports to the Board Compliance Review Committee (BCRC). BCRC is a Board committee of six members.

Currently, the CRP consists of Mr. Rusdian Lubis (Chair), Mr. Antonio La Viña, and Ms. Anne Deruyttere.

Rusdian Lubis is an Indonesian national who has more than 30 years experience in environmental management. He has worked with government, university, and private firms in Indonesia and with the World Bank as a senior executive. He has also been Chairman of the Board of Dana Mitra Lingkungan (Environmental Funds) since 2008 and founded Yayasan Waetasi, a nongovernment organization for coastal conservation in Sulawesi, Indonesia, in 1986. He has a bachelor of science in agricultural economics and a master of science in natural resources management and environmental sciences from Bogor Agricultural University and a doctor of philosophy in agricultural and resources economics from Oregon State University in the United States (US).

Antonio La Viña is a Philippine national. He is presently the Dean of the Ateneo School of Government in the Philippines. Prior to this, he was a senior fellow and program director at the World Resources Institute in the US, the undersecretary for legal and legislative affairs and attached agencies at the Department of Environment and Natural Resources in the Philippines, and a law professor at the University of the Philippines. He was a cofounder, trustee, researcher, and policy director for the Legal Rights and Natural Resources Center/*Kasama sa Kalikasan*—Friends of the Earth—in the Philippines.

Anne Deruyttere is a citizen of Belgium with over 30 years of experience with social safeguard issues, sustainable development, community participation, and culture and development. Until 2007, she was the chief of the Indigenous Peoples and Community Development Unit at the Inter-American Development Bank (IDB) and coordinated the preparation of and public consultations on IDB policies on involuntary resettlement and on indigenous issues. She holds graduate degrees in economics from the University of Louvain (Belgium) and in anthropology from Edinburgh University (United Kingdom). She is currently a senior consultant at the World Bank.

For more information on CRP, visit www.compliance.adb.org.

Acknowledgements

The Compliance Review Panel thanks the ADB Board of Directors and the staff at ADB headquarters and the Pakistan Resident Mission for their cooperation, comments, and assistance in preparing this annual monitoring report.

I. Introduction

1. In August 2004, the Board of Directors of the Asian Development Bank (ADB) mandated the Compliance Review Panel (CRP) to monitor Management's implementation of the Board-approved remedial actions under the Chashma Right Bank Irrigation Project (Stage III)¹ in Pakistan. The CRP was tasked to apply the relevant procedures of the ADB Accountability Mechanism² as the inspection request for the Chashma project had been carried out under the previous inspection function.

2. The CRP prepared and issued annual monitoring reports in 2005, 2006, 2007, and 2008.³ This is the fifth annual monitoring report for the Chashma project covering the period 19 August 2008 to 20 November 2009 as well as information and documents provided by ADB following discussions with ADB staff up to 20 November 2009.

3. In preparing this report, the CRP examined the issues covered in previous reports and used reports provided by Management and staff including (i) the updated ADB and Government of Pakistan action plan of 30 June 2009 submitted by Management on 25 August 2009, (ii) brief progress reports, (iii) photographs of irrigation system improvements and domestic water supply schemes implemented in North-West Frontier Province (NWFP) by the Federal Environmental Management Unit provided by the Public Health Engineering Department and submitted by Management to the CRP in November 2009, (iv) studies on ecological impacts (April 2007) and participatory irrigation management (March 2007), (v) the environmental management plan, and (vi) the environmental awareness program (December 2006). The CRP also discussed the project with and obtained feedback from ADB staff both at headquarters and at the Pakistan Resident Mission. Due to the deteriorating security conditions in the country, the CRP was not able to field a monitoring mission, but based on the information available and on the issues outstanding, the CRP decided that a field visit or monitoring mission was not necessary to issue this report.

4. In accordance with para. 48 of its operating procedures, the CRP sent a draft report to the Board Compliance Review Committee (BCRC) on 12 March 2010. Comments from the BCRC required revision of portions of the report which also necessitated CRP to consult the operations department. Thus, on 28 May 2010, a revised draft was submitted for BCRC's consideration and subsequent clearance.

5. The terms of reference for monitoring in accordance with the Accountability Mechanism, are spelled out in para. 47 of the CRP operating procedures: "CRP will monitor implementation of any remedial actions approved by the Board as a result of a compliance review. Unless the Board specifies a different timetable, CRP will report as frequently as required or at least annually for a period of five years to the Board on implementation of Board decisions related to remedial measures, including its determination of the progress in bringing the project into compliance."

6. Considerable progress has been made in complying with the 29 Board-approved recommendations as 24 have already achieved compliance. Significant progress was achieved in 2007/08 as recorded in the fourth monitoring report, and in this reporting period there has

¹ ADB. 1991. *Chashma Right Bank Irrigation Project (Stage III)* (Loan 1146–PAK[SF]). Manila.

² ADB. 2003. *Review of the Inspection Function: Establishment of a New ADB Accountability Mechanism*. Manila.

³ The CRP reports on the Chashma project are available at <http://www.compliance.adb.org/dir0035p.nsf/alldocs/BDAO-7XW4XE?OpenDocument>.

been even more. In fact, except for one recommendation that in the CRP's judgment for various reasons can no longer be met, the other four can now be considered as virtually in compliance as they have progressed to the point that CRP recommends that no further monitoring is justified.⁴ Therefore, in the opinion of the panel, there is no compelling reason or policy consideration requiring monitoring beyond five years.

II. Project Description

7. The Chashma project was approved by the Board in December 1991. It covers a total cultivable area of 135,000 hectares of arid but potentially productive land in NWFP and Punjab and is the third and final stage of the overall Chashma Right Bank Irrigation Project. Stage I operations were completed in December 1986 and stage II was completed in June 1992. Both were financed by ADB.

8. The project has four components: (i) main canal and related facilities, (ii) distributary canal and drainage facilities, (iii) on-farm water management, and (iv) agricultural and livestock extension. It also includes support for operations and maintenance and for project monitoring.

9. The estimated project cost in the report and recommendation of the President was \$287.5 million comprising an ADB loan of \$185.0 million, a KfW loan of \$40.0 million, and government financing for the remaining \$62.5 million. In 1999, the Board approved a change in scope of the National Drainage Project for Optimizing Existing Investment in Water Resource Sector which includes an additional \$33.5 million to meet anticipated cost overruns for the Chashma Right Bank Irrigation Project Stage III.

10. The project's executing agencies are the Water and Power Development Authority (WAPDA), NWFP's Planning, Environment and Development Department, and Punjab's Planning and Development Department.

11. Based on the original plan, the project was completed date by December 2002. It was then inspected, and the loan closing date was extended to 30 September 2004. The closing date was further extended to 30 June 2009 to use the remaining loan balance to fund the remedial work provided for in the change of scope. As of 30 November 2009, there was still some remedial work to be completed.

III. Inspection Request, Investigation, and Board-Approved Remedial Actions

12. In November 2002, a request for an inspection of the Chashma project was filed with the Board Inspection Committee (BIC) under the previous inspection function. The requesters⁵ claimed that ADB had breached its operational policies and procedures in formulating and processing the project that resulted in material adverse effects on Chashma inhabitants. Various issues were raised including (i) project-induced flooding and involuntary resettlement; (ii) inadequate compensation for loss of land, other assets, and livelihoods; (iii) adverse impacts on traditional *rod kohi* farmers; (iv) design related social and environmental problems; and (v) insufficient information for, consultation with, and participation of affected people. In March

⁴ See Appendix 4 for a table of project-specific remedial actions with the status of each recommendation and when compliance occurred.

⁵ Ahsan Wagha of Damaan Development Organization, Zafar Iqbal Lund of HIRAK Development Center, Mushtaq Gadi of Sungai Development Foundation, Muhammad Nauman of Creed Alliance, Khadim Hussain of Action Aid-Pakistan, Shafi Qiasrani of CRBIP were authorized to represent the affected persons in the Chashma inspection request.

2003, the BIC submitted its report to the Board recommending an inspection to commence in December 2003 after the completion of a grievance redress process established by the government in consultation with ADB.⁶ The Board approved the recommendation, and an inspection panel conducted the investigation in early 2004 and submitted its final report to BIC in June of that year. The CRP notes that the requesters disengaged in March 2004 when the inspection panel carried out its investigation in the project area⁷ due to their, "...dissatisfaction with the development and consultation processes associated with the grievance redress and settlement committee (GRSC) and its recommendations, the Board's support for the GRSC, and the development of the action plan."⁸

13. In August 2004, the Board considered the BIC report and recommendation on the Chashma inspection request. The report recommended that when implementing Board-approved remedial actions, Management would need to take into consideration the factors considered in paras. 31–38. The Board approved the inspection panel's recommendation and agreed that the CRP should monitor implementation applying relevant procedures in the Accountability Mechanism.⁹

14. The inspection panel's recommendations consist of five parts (Appendix 1). The first three are project specific and required ADB to ensure the availability of funding and to discuss a timeline with the government to implement remedial actions to bring the project into compliance. The last two are general recommendations for managing future large-scale irrigation projects. In monitoring the implementation of the recommendations, the CRP highlights the need to consider the factors in paras. 31–34 of the BIC report (Appendix 2). These include the need to follow up on the actions recommended by the GRSC with respect to the hill torrent management plan that address the overall environmental management of the project and the implementation of ADB's resettlement policy.

IV. Monitoring by the Compliance Review Panel

15. This fifth monitoring exercise¹⁰ was carried out by CRP member Antonio La Viña as lead monitor. He was assisted by CRP Chair Rusdian Lubis and CRP member Anne Deruyttere, with support from the Office of the Compliance Review Panel. The CRP's terms of reference for monitoring were finalized in October 2004 after a draft was posted on the CRP website inviting comments from interested parties, including ADB Management and the requesters.

⁶ The GRSC was established by the government in February 2003 with ADB assistance to reach a solution to all outstanding problems raised by land acquisition, resettlement, compensation, and rehabilitation. The GRSC carried out its activities from its inauguration in May 2003 until December 2003. In October 2003, GRSC recommendations were forwarded to the Ministry of Water and Power for implementation by responsible agencies. In August 2004, the ADB Board considered the BIC recommendations and directed ADB to discuss with the government the possibility of extending the project completion date and utilizing surplus loan proceeds to address the most significant of the remaining problems. The end-of-tenure report of the GRSC is at <http://www.adb.org/documents/inspection/pak/GRSC-Report/Apdx1-End-of-Tenure.pdf>.

⁷ ADB. 2004. *Final Report of the Inspection Panel on the Chashma Right Bank Irrigation Project Stage III*, p.10, para. 28 at http://www.adb.org/documents/inspection/pak/chashma_irrigation/appendix6-panel-report.pdf.

⁸ ADB. 2005. *Compliance Review Panel Supplementary Report to the Annual Monitoring Report 2004–2005: Implementation of Remedial Actions on the Inspection Request on the Chashma Right Bank Irrigation Project (Stage III)* para. 17.

⁹ The Board decision is at [http://www.compliance.adb.org/dir0035p.nsf/attachments/Board%20Decision-Chashma%20monitoring.pdf/\\$FILE/Board%20Decision-Chashma%20monitoring.pdf](http://www.compliance.adb.org/dir0035p.nsf/attachments/Board%20Decision-Chashma%20monitoring.pdf/$FILE/Board%20Decision-Chashma%20monitoring.pdf).

¹⁰ The previous CRP monitoring reports are posted on the CRP website at <http://www.compliance.adb.org/dir0035p.nsf/alldocs/BDAO-7XW4XE?OpenDocument>.

16. The CRP worked closely with ADB staff. ADB Vice President (Operations 1) is the focal point for Management for implementing the remedial actions with the Director General of the Central and West Asia Department (CWRD) responsible for day-to-day activities.¹¹

17. For security reasons, it has not been possible for the CRP to visit the project sites since 2007; therefore the CRP has not had any direct feedback from or contact with the affected persons. The CRP also notes that except for an exchange of e-mails in 2005, monitoring activities did not benefit from interaction with the requesters who disengaged from the inspection process in March 2004. As a consequence, the CRP has had to rely principally on information provided by ADB and by the government. The CRP acknowledges this lack of both access to the sites and engagement with the requesters as one of the major constraints in fulfilling its monitoring mandate.

18. The CRP met with ADB staff at headquarters and at the resident mission and discussed updates on the project's action plan and implementation status as of 30 June 2009 as provided by Management in its memo of 25 August 2009. The list of persons interviewed by the CRP is in Appendix 3. A table on project-specific recommendations in the action plan is in Appendix 4, and a table on general remedial actions is in Appendix 5. The columns headed "Compliance Status" were filled in by the CRP based on reports from Management and meetings with ADB staff.

V. Findings and Assessment

19. For this report, the CRP limited monitoring to the recommendations that were not fully satisfied in the fourth report. The findings are summarized below.

20. **GRSC recommendation 6 on formulating a domestic water sanction policy for landless communities and installing infrastructure for domestic use of canal water**¹²

- In the fourth report, the panel found that Management had reached partial compliance with this recommendation and urged Management to follow up with the government on the approval of Proforma 1 of the Planning Commission for NWFP. The progress report dated 25 August 2009 submitted by the Director of Energy and Natural Resources Division (CWEN) of CWRD indicated that it had been approved, so this recommendation has now achieved compliance.¹³

21. **GRSC recommendation 15 on completing remaining works on two incomplete flood carrier channels**¹⁴

- In the fourth report, the CRP noted that compliance with this recommendation would be achieved once the channels were completed. Management has reported significant progress with the proforma documents approved and the civil

¹¹ Prior to 1 May 2006 when ADB's realignment of its regional departments took place, the Director General of the South Asia Department (SARD) was responsible for day-to-day activities as SARD previously covered Pakistan.

¹² This recommendation is as follows: "Irrigation departments will formulate a domestic water supply sanction policy and the project will initiate a program of infrastructure installation for domestic use of canal water in landless communities of the Stage III canal command developed in close consultation with women users."

¹³ Based on the progress report submitted by the Director of the Energy and Natural Resources Division (CWRD/CWEN) on 25 August 2009.

¹⁴ The recommendation is as follows: "WAPDA will undertake the remaining works on incomplete flood control channels before the onset of the next flood season."

works under implementation, so while this recommendation is still in partial compliance, further monitoring is no longer required.¹⁵

22. GRSC recommendation 16 on constructing incomplete tail watercourses and instituting registered water rotation systems¹⁶

- Similar to its findings in the fourth report, the CRP finds that this recommendation has still reached only partial compliance. The four remaining watercourses are under construction and although not yet complete, the CRP concludes that sufficient progress has been achieved¹⁷ and that further monitoring is no longer required.

23. Environmental Management Plan

- In 2008 as reported in the fourth report, the CRP concluded that Management had partially complied with this recommendation and urged Management to prioritize actions that would fulfill it. The CRP noted that the implementation of the plan, particularly reforestation, has accelerated and though still in partial compliance, given the accelerated pace and overall achievement, there is no benefit in insisting on further monitoring.

24. Hill Torrent Management Plan

- The CRP notes that the proforma documents have been approved and the civil works are under construction. This recommendation continues to be in partial compliance because the work is ongoing, but it is expected to be completed by June 2010.¹⁸ The CRP therefore recommends no further monitoring of this activity.

25. Measurement and Evaluation of the Environmental Management Plan

- In 2008, the CRP found that this recommendation was in partial compliance and indicated that it would be fulfilled when remedial actions were addressed. On 30 April 2008, the NWFP government approved funding for implementing the environmental management plan until 2009. The last report submitted to ADB was dated August 2009.¹⁹ Given this recent development, the CRP considers this recommendation is now in compliance.

¹⁵ ADB. 2009. *Progress Report on the Chashma Right Bank Irrigation Project Stage III Remedial Measures in NWFP* submitted 21 October.

¹⁶ The recommendation is as follows: "Tail watercourses on all distributaries need to be inspected for completion jointly by respective On Farm Water Management and Irrigation Departments. All incomplete watercourses should be constructed and *warabandi* instituted in close coordination of OFWM, Irrigation Department and the communities."

¹⁷ Based on the progress report submitted by the Director of the Energy and Natural Resources Division (CWRD/CWEN) on 25 August 2009.

¹⁸ Based on the progress report submitted by the Director of the Energy and Natural Resources Division (CWRD/CWEN) on 25 August 2009.

¹⁹ ADB. 2009. *Monthly Progress Report (August) on the Implementation Status of GRSC Recommendations on Remedial Action for the Chashma Right Bank Irrigation Project Stage III*.

26. **Monitoring and Evaluation of Project Impact**

- An independent monitoring cell was established at WAPDA and the Board of Revenues, and bimonthly reports have been submitted to ADB. However, due to security risks, the monitoring and evaluation specialist was not able to undertake field visits, and the last report submitted was dated January 2009. The report recorded that a majority of affected persons who have been compensated have moved from the flood zone to safer places and that completed remedial facilities are being used by communities. Taking into account the limitations imposed by the security situation, the CRP concludes that this recommendation is in substantial compliance (footnote 48).

VI. Overall Compliance with Board-Approved Remedial Actions

27. The CRP finds that ADB implementation of project-specific and general remedial actions has resulted in overall compliance with the recommendations approved by the Board. Since the last monitoring report, one recommendation has reached partial compliance and two have progressed from partial to complete compliance. Four recommendations remain at partial compliance but enough progress has been made that the CRP recommends that no further monitoring is necessary.

28. GRSC recommendations 1(a) and 1(e) remain at non-compliance as was noted in the fourth report. That recommendation has been superseded by events, so regardless of ADB efforts, it will not be achieved.

29. At the end of the 5-year monitoring period, the status of compliance is, therefore, as follows:

- Management has complied with the following:
 - project-specific remedial actions on GRSC recommendations 1(b), 1(c), 1(d), and the first part of 1(e);
 - project-specific remedial actions 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14 (remedial action 6 achieved compliance during this monitoring period);
 - project-specific remedial actions on the grievance redress mechanism;
 - project-specific remedial actions on other remedial measures;
 - project-specific remedial actions on monitoring and evaluation (the follow-up studies achieved compliance during this monitoring period);
 - general remedial actions on inspection panel recommendations (iv) and (v)
- Management has partially complied with the following:
 - project-specific remedial action 15 on the completion of the flood control channels;
 - project-specific remedial action 16 on four incomplete tail watercourses;
 - project-specific remedial actions on the environmental management plan
 - project-specific remedial actions on the hill torrent management plan

- Management has not complied the following:
 - project-specific remedial actions on GRSC recommendation 1(a) on awarding market value and not average sale price as compensation for land acquisition cases and on the second part of 1(e) on making supplementary awards; however, as explained in the fourth report, the panel, will no longer monitor compliance with this recommendation.

VII. Lessons Learned

30. For the past five years the CRP has reviewed the implementation of remedial actions recommended by the inspection panel and approved by the Board following the investigation of the Chashma Right Bank Irrigation Project. The CRP considers that ADB actions, including regular monitoring by the panel, contributed to bringing the project into compliance. The CRP considers that its monitoring of the remedial actions should conclude with this fifth monitoring report.

31. While the recommendations were issued by the inspection panel, the CRP was mandated to monitor their implementation. The CRP considers that this first fully completed monitoring exercise has generated important lessons for future compliance review and monitoring and also suggests that these lessons are valuable for Management and the Board as they may help inform and guide efforts to further strengthen internal policy compliance and ensure adequate monitoring of implementation.

A. The Importance of Early Compliance

32. The most obvious lesson for the CRP and perhaps for Management is that the most effective approach to compliance is for Management to specifically address the implementation of ADB environmental and social safeguards at the earliest stages of project approval and implementation. The fact that the inspection was carried out in the advanced stages of this project made it quite challenging and costly to bring it into full compliance. Indeed, this is the reason the recommendations by the inspection panel that compensation for land acquisition be based on market value and not on average sale price and for making supplementary awards could no longer be implemented as changing circumstances made it impossible. Another example of the difficulty in bringing the project into compliance is the village of Katehra where affected persons wanted compensation that could not be granted under Pakistani law. In that case, it was clear to the CRP that the original recommendation could no longer be implemented.

33. The fact that the inspection came late in the project also limited its effectiveness. Because much of the work had already been completed when the inspection was undertaken, corrective measures such as the environmental and hill torrent management plans that were in CRP's view correctly recommended by the inspection panel were difficult to design and implement as they were not originally integrated into the project design. As a consequence, the CRP has had to emphasize the importance of implementing these plans to the fullest extent possible before loan closure.

B. Monitoring General Recommendations

34. The inspection panel provided both general and project-specific recommendations that were subsequently approved by the Board. These recommendations became the basis of CRP's compliance monitoring for five years.

35. The CRP understands and supports the principle that an inspection or compliance review panel may issue general recommendations for the Board and for Management to consider for improving policy compliance and accountability, but these recommendations should be directly related to compliance and not more suited to standard project administration rules and procedures. In this project, the CRP had to determine the data needed to judge whether or not Management had successfully implemented the general recommendations of the inspection panel which was not an easy task despite their straightforward nature.²⁰ The question of whether the CRP should focus on the level of effort exerted by Management or on whether or not those efforts were succeeding in improving overall policy compliance and accountability also had to be addressed. The panel decided to focus on the level of effort by ADB and by the fourth monitoring report had concluded that the general recommendations had been satisfied with the qualification that it was not judging the effectiveness of the mechanisms and safeguards that were put into place or that were being developed. The CRP believes that such a judgment can be made only in the context of specific projects.

36. Another difficulty with general recommendations is that they may stray into areas better left to Management or that are beyond the monitoring competence, expertise, or resources of an inspection or policy compliance review panel. For example, to monitor the general recommendations for this project, the panel had to make a judgment on the adequacy of human resources at ADB, "...to ensure a satisfactory level of support for, and monitoring of, the implementation of any resettlement plans, environmental management plans or other measures required under ADB's safeguard policies." Clearly, the CRP did not have the institutional knowledge to make a judgment on this issue: it would have been better left for Management.

37. The CRP concludes that it will continue to propose general recommendations to the Board only when they are warranted and justified by the compliance review and only if the panel can effectively monitor them. In other words, the panel will limit general recommendations to those that are relevant and those it can monitor. On a case-to-case basis, the panel may also recommend to the Board that Management address and report progress on general recommendations directly to the Board.

C. Monitoring Project-Specific Recommendations

38. In addition to general recommendations, the Board also approved project-specific recommendations that the CRP considered justified though some were directed more at improving project implementation and administration than at compliance. In hindsight, the reliance on the recommendations of the GRSC in particular moved monitoring compliance into areas more properly left to project administration. The GRSC was established by the government at the suggestion of ADB. Its recommendations tended to be very detailed and were generally implemented specifically as part of project administration and not of compliance.

39. In the future, when CRP proposes project-specific recommendations, it will make a distinction between those that are directly related to policy compliance and those that are essentially about project administration. In the case of the latter, the panel will also indicate that

²⁰ First, in ongoing and future large-scale canal irrigation projects it was recommended that ADB ensure that appropriate, reliable, transparent, and participatory mechanisms are in place in compliance with its policies on involuntary resettlement and anticorruption. Second, ADB should ensure that (a) sufficient ADB human resources are available to ensure a satisfactory level of support for and monitoring of the implementation of any resettlement plans, environmental management plans, or other measures required under its safeguard policies and (b) that ADB staff are aware of their duties and obligations in the formulation, processing, and implementation of projects pursuant to ADB's operational policies and procedures.

it will not necessarily monitor progress. The CRP also notes that during the monitoring period circumstances could intervene that could nullify the original recommendations as occurred in this project. There should therefore be some flexibility in determining compliance.

D. Constraints of Limited Access and the Disengagement of Requesters

40. As noted in para. 18, the CRP has not been able to conduct visits to the project sites for security reasons since 2007 and has thus not had any direct feedback from or contact with the affected persons. The CRP also notes that it has not had the benefit of interaction with the requesters as they disengaged from the inspection as early as March 2004. The panel has therefore had to rely principally on information provided by Management and by the government with requests for additional information such as visual documentation to augment it. The panel acknowledges that this lack of access to the project sites and the lack of engagement with the requesters have affected the depth of its monitoring.

E. Government Support for the Compliance Process

41. The Panel is aware that all remedial works that may be required to correct any issues of non-compliance in a project will entail additional time, and may well entail additional cost, including costs to be borne on the part of the borrower. The Panel also assumes that there were other consequential costs incurred by the borrower that were related to implementation of Board-approved recommendations. The CRP has not sought to analyze this aspect of the compliance process. However, the cost implications to bring project into compliance are mentioned in the accountability mechanism policy,²¹ and the Board may want to consider the analysis of its financial implications in the review of the accountability mechanism.²²

42. The Panel would like to commend the borrower, particularly the executing agency, Water and Power Development Agency, supported by the Irrigation and Power Development, Public Health Engineering Department of North-West Frontier and Punjab provinces for their collaboration and responsiveness in working together with ADB's operations department to implement the Board-approved recommendations. The CRP also understands that the borrower allocated additional resources to implement these Board-approved recommendations.

F. Management Role in Monitoring

43. The successful monitoring achieved in this project is not possible without the support and cooperation of Management and staff, particularly staff from regional departments (e.g. CWRD). In this regard, the CRP expresses its appreciation for the assistance of ADB staff. It notes that reports were provided regularly, requests for additional information were granted quickly, and arrangements for monitoring missions were facilitated. ADB staff also provided valuable contributions in considering lessons learned in the five years of monitoring. Improvements would be useful in the future including the institutionalization of CRP-ADB staff meetings at the beginning and end of a monitoring period to address expectations and priorities and to agree on the reports that ADB can provide during a specific monitoring period.

²¹ Footnote 2, paras. 47–54.

²² At ADB's 43rd Annual Meeting in Tashkent in May 2010, President Kuroda announced the initiation of the review of the accountability mechanism.

VIII. Conclusions

44. The CRP found in its fifth annual monitoring exercise that ADB had fulfilled 24 of the 29 Board-approved recommendations. Four recommendations are still in partial compliance, but enough progress has been made so that they need not be monitored further by the CRP. One recommendation has been superseded by events so compliance cannot be achieved. Considering recent progress and achievements, the CRP concludes that there is no compelling reason or policy consideration for monitoring beyond five years.

/S/ Rusdian Lubis
Chair
Compliance Review Panel
8 June 2010

/S/ Antonio La Viña
Member
Compliance Review Panel

/S/ Anne Deruyttere
Member
Compliance Review Panel

Inspection Panel's Recommendations

The Inspection Panel's recommendations are taken from Appendix 2 of the Board Inspection Committee Report and Recommendation on the Chashma Inspection Request.*

Based on the issues and findings set forth in this Report, the Inspection Panel recommends that:

- (i) ADB discuss with the Government of Pakistan the possibility of extending the Project completion date and utilizing surplus loan proceeds to address the most significant of the remaining problems in the Project, as described in this Report. Assuming agreement with the Government on extension of the Project completion date and utilization of surplus loan proceeds, remedial actions for such problems are to be carried out in accordance with currently applicable ADB requirements, including full participation of the affected communities and their representatives, full compensation for any losses and restoration of livelihoods of communities and households that have been adversely affected, assessment of the environmental and social impacts of any new construction work or major changes in the water management regimes for the Project, and monitoring and evaluation by an independent entity acceptable to all parties;
- (ii) ADB discuss with the Government of Pakistan arrangements to ensure long-term funding (i.e., for at least five years) for the implementation of a full Environmental Management Plan for the Project, following preparation of a full Environmental Impact Assessment of the Project, so that a long-term approach can be adopted and meaningful consultative and participatory processes carried out;
- (iii) agreement between ADB and the Government on the matters described in items (i) and (ii) above, including any timetables, be captured and carried out as legally binding obligations upon the parties;
- (iv) with respect to ongoing and future large-scale canal irrigation projects of ADB, ADB ensure that appropriate, reliable, transparent and participatory mechanisms are in place, so that the requirements under ADB's Policy on Involuntary Resettlement and Anticorruption Policy, specifically with regard to the following, can be carried out:
 - (a) adequate compensation for land acquisition on a land-for-land basis or, when not possible, on a cash compensation basis at levels that enable the affected households to buy land of equivalent value;
 - (b) any issues relating to corruption; and
 - (c) the borrowing country's carrying out of any resettlement in accordance with requirements under ADB's Policy on Involuntary Resettlement; and
- (v) ADB ensure that (a) sufficient ADB human resources are available to ensure a satisfactory level of support for, and monitoring of, the implementation of any resettlement plans, environmental management plans or other measures required under ADB's safeguard policies; and (b) ADB staff are aware of their duties and obligations in the formulation, processing and implementation of ADB-assisted projects pursuant to ADB's operational policies and procedures.

* At http://www.adb.org/documents/inspection/pak/chashma_irrigation/appendix2-panel-recommendations.pdf.

Board Inspection Committee's Recommendations

Relevant provisions of the Board Inspection Committee's recommendations from the Board Inspection Committee Report and Recommendation on the Chashma Inspection Request^{*} are quoted below.

- Para. 31. ..., the BIC acknowledges that several elements of the Panel's recommendation, particularly those in parts (i), have already been under active discussion between the Government of Pakistan and ADB for an extended period. This includes ... follow up actions to implement the recommendations of the GRSC (Grievance Redress and Settlement Committee). These ... have all been agreed to by the Government with the exception of the additional compensation premium (Recommendation # 1(b)). It also includes follow up work to make progress on the Hill Torrent Management Plan and the EMP (Environmental Management Plan). At least in principle, the follow up actions required to fully implement the recommendations of the GRSC and meet the policy intent of both the EMP and the Hill Torrent Management Plan would appear to have the potential to address all of the specific outstanding issues with the Project identified by the Panel with the possible exception of:
 - Forest degradation and reduced access to fuel wood;
 - Restricted access to grazing land in previously non-irrigated land; and
 - The possible development of new agro-industries.
- Para. 33. The BIC notes Management's observation that "in moving forward, continued dialogue with the Government and other stakeholders is of vital importance to resolve the outstanding issues." Further dialogue which encompasses all of the outstanding issues with the Project, to the maximum extent feasible, would be desirable. Similarly, adequate monitoring and follow up are important. Amongst other things, appropriate monitoring will establish whether adequate measures are put in place in respect of "139 out of the compensated 462 households ...still residing in the flood impact zone," which is clearly a high priority issue of concern, and to assess whether the intent of ADB's resettlement policy that the living conditions of resettled persons have at least been restored, has been achieved in practice.
- Para. 34. ...the BIC notes that the Panel has recommended (in parts (i), (ii) and (iii) of its recommendations) that ADB discuss certain important matters with the Government of Pakistan. The BIC recognizes that these matters will be subject to detailed analysis by the Government of Pakistan and that any agreement reached pursuant to such discussions will need to take full account of ADB's policies and procedures, the availability of financial and other resources, and of applicable laws and regulations in Pakistan. The implementation, monitoring and evaluation of environmental management measures will need to be carried out with due regard to the actual implementation status of the Project and the need to redress unresolved issues with appropriate involvement by local people and in timely fashion.

^{*} At http://www.adb.org/documents/inspection/pak/chashma_irrigation/text.pdf.

Persons Interviewed by the Compliance Review Panel

1. Xiaoyu Zhao
Vice President (Operations 1)
2. Juan Miranda
Director General, Central and West Asia Regional Department (CWRD)
3. Pil Bae Song
Director, Energy and Natural Resources Division (CWEN), CWRD
4. Binsar Tambunan
Head, Project Administration Unit, CWEN, CWRD
5. Takashi Matsuo (formerly involved with the project)
Director, Agriculture, Natural Resources and Social Services Division
South Asia Regional Department
6. Donneth Walton
Principal Natural Resources Management Specialist, Pakistan Resident Mission
7. Maria Adora Deguito
Project Implementation Officer, CWEN, CWRD

Table of Project-Specific Remedial Actions

Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
<p>A. GRSC Recommendations</p> <p>Recommendation # 1</p> <p>The Land Acquisition Collectors of D.I.Khan and Taunsa shall make and announce the awards in the manner given below:</p> <p>(a) Market value as determined by the District authorities at the date of publication of notification U/S 4 (1) of the Land Acquisition Act (LAA) and not the average sale price will determine the amount of compensation.</p> <p>(b) 25% of the aforesaid amount of compensation shall be additionally awarded.</p> <p>(c) Interest shall be paid on the aforesaid two amounts to the affectee from the date of possession (which in the cases both at D.I.Khan and Taunsa) is the date of notification U/S 4 (1) of LAA to the date of actual payment of compensation to the affectee. It may be clarified that date of announcement of the award is totally irrelevant. The interest U/S 34 LAA for delayed payment of compensation has to be paid from the date of possession of land till the date of payment of compensation. However, to make it practicable a period of one month from date of announcement of the award can be ignored for the purpose of calculation of the interest.</p> <p>(d) The compensation together with the interest shall be paid to affectees through cheques/ vouchers/cash in the Villages of the affectees or in the nearby union council offices, in open assembly. But prior notice to the affectees in the Villages shall be</p>	<p>A.1.(a) As the average transaction price can also be considered to represent the market value, the Government disagrees with this recommendation.</p> <p>A.1.(b) The Government has a different interpretation of the Land Acquisition Act (LAA) and related regulations from that of the GRSC. The Government, therefore, disagrees to implement this recommendation.</p> <p>A.1.(c) The LACs of D.I.Khan and Taunsa, shall calculate the interest for delayed payment from the date of possession to the date of actual notification to individual landowners (this is not the date of Gazette announcement). The period after notification is considered a delay due to landowners and, therefore, not subject to the interest.</p> <p>A.1.(d) Compensation and interest shall be paid in a manner as described in the recommendation #1(d), and completed without further delay.</p>	<p>Not complied with but will no longer be monitored. (Panel has determined this status, and reported in the CRP 4th Annual Monitoring Report)</p> <p>Compliance confirmed in the CRP 2nd Annual Monitoring Report</p> <p>Compliance confirmed in the CRP 2nd Annual Monitoring Report</p> <p>Compliance confirmed in the CRP 2nd Annual Monitoring Report</p>

Note: CDWP – Central Development Working Party; DCO – District Coordination Officer; FEMU – Federal Environmental Management Unit; IPD – Irrigation and Power Department; LAC – Land Acquisition Collectors; OFWM – On Farm Water Management; PDWP – Provincial Development Working Party

Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
<p>given by the subordinate staff of the LAC through beat of drums and announcements in the mosques.</p> <p>(e) More than 50 % awards have yet to be made (as of October 2003). These awards can be made on the aforementioned lines without any complications. Difficulty may, however, arise in those cases where the awards have already been announced or payments thereunder made. In such cases where the awards have already been announced, the Land Acquisition Collectors shall announce supplementary awards by giving additional compensations as detailed in the preceding sub paras. (a), (b) and c) and the additional amounts should be disbursed in the manner given in sub para. (d).</p>	<p>A.1.(e) 1 Compensation and interest payment shall be completed without further delay.</p> <p>A.1.(e) 2 The Government cannot apply the appropriate dates in calculating interest retroactively, because compensations were paid being agreed to by the landowners. This recommendation will not be able to be pursued.</p> <p>A.1.(e) 3 The Ministry of Water and Power (MOWP), through newly established monitoring cell, will report the progress to ADB bi-monthly.</p> <p>A.1.(e) 5 LAA will be followed as appropriate for any undue delay.</p>	<p>Complied with for the first part of this recommendation. (Panel has determined this status as reported in the CRP 4th Annual Monitoring Report)</p> <p>Not complied with for the second part of this recommendation but will no longer be monitored. Panel has determined this status, and reported in the CRP 4th Annual Monitoring Report</p>
<p>Recommendation # 2 The Project Director CRBC will inquire into all the claims for damage to land received by GRSC and ensure that in all instances where earth from land has been removed, or land has otherwise been damaged and no compensation has been paid are duly compensated without any delay.</p>	<p>A.2.1 Based on the claims received by GRSC, WAPDA, together with LACs, will look into legitimacy of the claims and if claims are legitimate, request LAC to pay eligible compensation. The result will be reported to MOWP.</p> <p>A.2.2 Additional claims received by CRBC office will be treated the same manner</p>	<p>Compliance confirmed in the CRP 2nd Annual Monitoring Report</p>

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Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
	as those received by GRSC.	
<p>Recommendation # 3 Claims received by GRSC for non-payments of the crops and trees, loss of agricultural and commercial infrastructure and dwellings etc. shall be verified and paid in a transparent manner without delay in accordance to the compensation policy specified in Items 4, 5, 6, 7 and 8 of the Entitlement Matrix.</p>	<p>A.3.1 Based on the claims received by GRSC, WAPDA, together with LACs, will look into legitimacy of the claims and if claims are legitimate, request LAC to pay eligible compensation. All efforts would be made to verify the claims through original record, and payment would be made accordingly. However, tempered copies are not acceptable as evidences. The result will be reported to MOWP.</p> <p>A.3.2 Additional claims received by CRBC office will be treated the same manner as those received by GRSC.</p>	Compliance confirmed in the CRP 2nd Annual Monitoring Report
<p>Recommendation # 4 Chief Engineers of the respective Irrigation Departments will take appropriate steps and announce the procedure for sanctioning additional <i>nakkas</i> for the severed land, as provided for in item No. 3 of the Entitlement Matrix, by or before 20 December 2003.</p>	<p>A.4.1 The LACs shall prepare village wise lists of the owners whose lands have been acquired. These lists shall be forwarded to the District Coordination Officer (DCO) concerned, who will identify, through his subordinate Revenue staff, the affectees whose holdings have been severed due to the acquisition.</p> <p>A.4.2 LAC will forward the list of such affectees to respective Chief Engineer, Irrigation.</p> <p>A.4.3 Chief Engineer, Irrigation, through Divisional Canal Officer and Subdivisional Canal Officer will consult with owners of severed land and prepare work plans that are agreeable to the owners and submit to MOWP. MOWP will send a copy to ADB. In addition to the list provided by LAC, 415 claims in NWFP and 252 claims in Punjab</p>	Compliance confirmed in the 2nd Annual Monitoring Report.

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	<p>received by GRSC will be treated in the same manner.</p> <p>A.4.4 Irrigation and Power Departments of NWFP and Punjab complete the provision of <i>nakkas</i> for all severed land.</p>	
<p>Recommendation # 5</p> <p>Respective Boards of Revenue will grant five (5) acres state land on proprietorship basis on nominal prices to the legal owners entitled compensated for loss of income and livelihood through acquisition under Item 4.1 of the Entitlement Matrix. Entitled tenant/share cropper or leaseholder for such holdings, if any, will also be compensated as specified at 4.1 of the compensation policy column of the Entitlement Matrix by the PD CRBC at the expense of the Project. (One grievance each in NWFP and Punjab was received by GRSC).</p>	<p>A.5.1 Provincial Governments will identify marginalized landowners whose land holdings became less than 5 acres as a result of land acquisition.</p> <p>A.5.2 Provincial Governments will take appropriate measures to secure their livelihood based on the genuine needs of the identified households.</p> <p>A.5.3 Provincial Governments will report to MOWP. MOWP forward the report to ADB for review.</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report</p>
<p>Recommendation # 6</p> <p>Irrigation Departments will formulate a domestic water supply sanction policy and the Project will initiate a program of infrastructure installation for domestic use of canal water in landless communities of the Stage III canal command developed in close consultation with women users.</p>	<p>A.6.1 The Gender Specialist's report identified 142 landless villages (42 villages in 4 Union Councils in D.I Khan, and 100 villages in 11 Union Councils in D.G.Khan) for the water supply scheme. Irrigation and Power Departments will sanction the canal water for domestic use by these landless communities. IPDs will prepare an action plan and submit to MOWP.</p> <p>A.6.2 The submitted action plan will be implemented. MOWP will monitor the implementation and report to ADB.</p>	<p>Complied with (The changing status is being observed during this monitoring period.)</p>
<p>Recommendation # 7</p> <p>Identify federal, provincial and private sector programs in education, health, sanitation, agriculture and microcredit operating in the project area or which can be directed to the project area. Facilitate contact through workshops to</p>	<p>A.7.1 WAPDA will review all applications received by GRSC under Item 4.4 of the Entitlement Matrix, and in coordination with the DCOs, District <i>Nazims</i> and</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report</p>

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Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
<p>provide a focal role for councilors at the <i>tehsil</i> and union council level, to enable communities and individuals' access to regional programs of relevance to women and the poor.</p>	<p>relevant Union Councils, reassess the difficulties among the claimants, and identify the mitigation measures to mitigate the difficulties.</p> <p>A.7.2 WAPDA will identify relevant development programs from the list in Annex 2 of the Gender Specialist's report or other programs, and contact and request them to implement activities in the villages from which applications are received, and the 142 villages identified by the Gender Specialist.</p> <p>A.7.3 WAPDA will report the result of the above effort and implementation status of the programs mobilized in the affected villages to MOWP.</p>	
<p>Recommendation # 8 After review by an independent irrigation management specialist, existing institutional arrangements, protocols and practices for regulation, particularly at the main canal-distributary interface, and discharge and escape protocols on the main canal and distributaries will be discussed and agreed during a two-day workshop. This will be attended by WAPDA, Provincial Irrigation Departments and farmers' representatives. Improvements to achieve timely and adequate flows to match fluctuations in farmers' water demand (within authorized discharge limits) will be implemented immediately. Calibrated easy to read gauges will be installed at all provincial transfer and main canal-distributary interface points.</p>	<p>A.8.1 MOWP will request IPDs to review the report of the Irrigation Management Specialist and propose adequate measures to address the issues raised in the report. Such proposal will be promptly implemented.</p> <p>A.8.2 MOWP will report the implementation status to ADB.</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report</p>

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Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
<p>Recommendation # 9</p> <p>WAPDA and Provincial Irrigation Departments will make known their reservations for not allowing irrigation from sumps on the main canal when the topography does not permit farmers to convey water lifted from designated points on distributaries to portions of their land, particularly if these were previously irrigated by <i>rodh kohi</i>. They will also propose an alternate solution, if provision from the main canal is not possible. After receiving a response the independent irrigation management specialist will review the issue, including the option of creating new <i>chakbandis</i> for this land with provision for lift irrigation from sumps in the main canal, or possibly from specially built in-right-of way (ROW) minors along the main canal.</p>	<p>A.9.1 IPDs, being assisted by WAPDA, will review the status of the 36,000 acres (15,175 acres in NWFP and 20,825 acres in Punjab) lift irrigation area, and clarify the area and number of landowners that have been adequately irrigated by existing pump sumps, and those that cannot receive sufficient water that cannot receive sufficient water due to high elevation of land, problems in watercourses, and being denied access by influential farmers.</p> <p>A.9.2 Based on the findings from the review and adequate consultation with the farmers, IPDs will identify an adequate measure for each landowner who does not receive sufficient irrigation water from sumps, as recommended by the Irrigation Management Specialist in Sections 6.4 and 7.3 of his report. Each IPD will consolidate such measures to a Lift Irrigation Improvement Plan and submit to MOWP. MOWP will forward a copy to ADB.</p> <p>A.9.3 IPDs will check if all the areas that had Rod Kohi water rights are covered by the sanctioned 36,000 acres. In case any former Rod Kohi area is not covered by the lift irrigation scheme, additional water right for use of the canal water should be given to the landowners. This will be reported in the Lift Irrigation Improvement Plan</p> <p>A.9.4 IPDs and OFWMs will promptly implement the plans and report their completion to MOWP. MOWP will forward it to ADB.</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report</p>

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Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
<p>Recommendation # 10</p> <p>Pending the initiation of farmer irrigation organization on the water course and distributary levels, workshops will be conducted to orient members of all union, <i>tehsil</i> and district councils in the CRBIP III canal command, on the operating principles of the <i>warabandi</i> continuous flow system of irrigation.</p>	<p>A.10 IPDs will implement as recommended.</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report</p>
<p>Recommendation # 11</p> <p>The landless in unprotected villages in addition to the compensation they have already received for the structure of their home will be given ownership of at least 5 <i>marlas</i> residential land in the canal command area. By living in the command area they are expected to benefit from the increased opportunity for labor that has arisen from irrigated agriculture. In addition they are entitled to a shifting allowance and a one-time subsistence allowance equivalent to six months official minimum wages.</p>	<p>A.11.1 The Participatory Assessment Specialist identified 9 households that are categorized into this group out of the total 462 households (he states in page 8 of his report that 2 additional households would be eligible for this provision). Provinces of NWFP and (note: all of 9 households are located in Punjab) the Punjab will prepare a resettlement plan. MOWP will submit the plan to ADB.</p> <p>A.11.2 MOWP will monitor the progress of the resettlement plan and report to ADB.</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report</p>
<p>Recommendation # 12</p> <p>The increased risk of flood to the dwellings of those who are landowners, but only in the impact zone, will be mitigated through a provision of at least 5 <i>marlas</i> land for housing in the vicinity of their settlement, but outside the flood impact zone.</p>	<p>A.12.1 The Participatory Assessment Specialist identified 16 households that are categorized into this group out of the total 462 households. Provinces of NWFP and (note: all of 462 households are located in Punjab) the Punjab will prepare a resettlement plan. MOWP will submit the plan to ADB.</p> <p>A.12.2 MOWP will monitor the progress of the resettlement plan and report to ADB.</p> <p>A.12.3 ADB's consultant will survey the living status of the entire 323 (note: this should be 321) households that have already moved out, as reported by the Participatory Assessment Specialist. Carefully identify</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report</p>

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	<p>any difficulties in their lives that are caused by the move from the villages in the flood impact zone. Prepare a mitigation measure, if such difficulties are found. The 116 households that own land in the safe area but have not moved out will also be surveyed. The consultant will submit a survey report on the 439 437 households (323 321 plus 116).</p>	
<p>Recommendation # 13</p> <p>The communities in Protected Villages will determine measures considered necessary to improve the flood protection bund and the Project will agree on appropriate modifications or additions. GRSC recommends removing the existing flood protection bunds in Jhok Katehra and Hafiz Abad, and rebuilding them at a reasonable distance (to be agreed in consultations with the community) from the dwellings. The land needed to widen these bunds will be acquired under the LAA.</p>	<p>A.13.1 The Participatory Assessment Specialist reported in page 33 of his report that villagers of Hafiz Abad, through a signed memorandum informed that they do not demand rebuilding the embankment. However, they submitted a request for provision of basic facilities such as drains, water supply, water ponds for animal, privacy protection measures, a mosque, and lavatories. This village is, therefore, treated in the same manner as other 6 protected villages. WAPDA will review the requests of the 7 villages as provided in pages 11 to 48 of the report of the Participatory Assessment Specialist, consult with the villagers again, and prepare a draft plan to address these villagers' concerns. The draft plan will be presented to the villagers, and necessary revisions will be made based on their feedback. The plan will be finalized only after full agreement is reached and signed by the villagers. WAPDA will submit the final plan together with the signed agreements to MOWP. MOWP will forward it to ADB for clearance.</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report, except in Katehra village due to the refusal of villagers to accept remedial actions.</p>

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	<p>A.13.2 When the works for the 7 villages are completed, WAPDA submit a report to ADB through MOWP.</p> <p>A.13.3 For Jhok Katehra, the Participatory Assessment Specialist reported that owners of the surrounding land would not agree to provide their land (page 38 to 42 of the report). WAPDA will consult again with the villagers and the landowners, and prepare an agreeable plan. The villagers' claims for compensation for the land of the existing embankment, a mosque and a brick kiln, and a well will be reviewed and a fair compensation will be offered, if justified. While awaiting an amicable solution between the two groups of villages, CDO's improvement plan will be implemented. WAPDA also agreed to re-route the road from the crest of the embankment to the ground level, and close the existing road, so that the villagers do not feel being peeped by passengers.</p> <p>A.13.4 In case acquisition of the surrounding land is not agreeable to the landowners, application of Recommendations #11 and 12 are considered. In such a case, WAPDA will carry out a property survey for all households, and prepare and submit a resettlement plan to MOWP. MOWP will forward it to ADB for clearance.</p> <p>A.13.5 When actions on Jhok Katehra are completed, WAPDA submit a completion report to MOWP. MOWP will forward it to ADB.</p>	
<p>Recommendation # 14 Animal watering points that draw water</p>	<p>A.14 This will be undertaken under</p>	<p>Compliance confirmed in the</p>

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<p>from the main canal will be provided in Protected Villages, inside the bund. Provision of canal water for domestic use by community will also be made within the bund. These facilities will be planned, located and installed by the Project in close consultation with the community.</p>	<p>Action A.13.1 and A.13.2.</p>	<p>CRP 4th Annual Monitoring Report, except in Katehra village due to the refusal of villagers to accept remedial actions.</p>
<p>Recommendation # 15 WAPDA will undertake the remaining works on incomplete FCCs before the onset of the next flood season.</p>	<p>A.15.1 WAPDA informed ADB in July 2004 that the work plans are ready for Mahoi and Jat Wah Flood Carrier Channels (FCCs). Prior to commencement of the work, WAPDA should complete land acquisition, following ADB's Involuntary Resettlement Policy. WAPDA will first carry out a social assessment including identification of the owners of the right-of-way of FCCs and consultation with them, and prepare a land acquisition/resettlement plan. In case 200 or more people will experience major impacts, a full resettlement plan should be prepared otherwise a short resettlement plan should be prepared. GRSC's Recommendation #5 will also be applied for the compensation. ADB will be consulted on the requirements in the land acquisition process. WAPDA will submit a land acquisition/resettlement plan to ADB through MOWP for clearance.</p> <p>A.15.2 Upon completion of the land acquisition process, WAPDA will commence and complete the work. WAPDA will report the completion to ADB through MOWP.</p>	<p>Partially complied (The changing status is being observed during this monitoring period.) The remaining civil works are expected to be completed by 2010.</p>

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Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
<p>Recommendation # 16</p> <p>Tail watercourses on all distributaries need to be inspected for completion jointly by respective OFWM and Irrigation Departments. All incomplete watercourses should be constructed and <i>warabandi</i> instituted in close coordination of OFWM, Irrigation Department and the communities.</p>	<p>A.16.1 IPDs and OFWMs will jointly inspect the existing watercourses, including those at the tail of distributaries and minors to identify incomplete watercourses and prepare a work plan to be submitted to MOWP (OFWM field team are currently working on improvement, including lining, of watercourses under the Government-funded National Program for Improvement of Watercourses. This recommendation will be undertaken under this program).</p> <p>A.16.2 Specifically for Mor Jhangi village where disagreement on the watercourse alignment among villagers is causing flooding, WAPDA, IPD-Punjab and OFWM-Punjab will consult with the villagers and the landowner in Retra village on the routes of the two tail watercourses of Minor Distributary 35. If necessary, the watercourses will be re-routed. The Union Council of Mor Jhangi, and the District OFWM Officer will help in solving any disagreement among the villagers. WAPDA will report the agreed solution and the progress on implementation of the agreed measures to MOWP and ADB.</p>	<p>Partially complied (Panel has determined this status in the CRP 4th Annual Monitoring Report.)</p>
<p>B. Environmental Management Plan (EMP)</p>	<p>B.1 The Federal Environmental Management Unit (FEMU) under NDP will reformulate the current EMP expanding its scope to adequately cover the outstanding environmental issues, including forest degradation, reduced grazing land, and potential pollution from agro-industries. The implementation period of the</p>	<p>Partially complied (Panel has determined this status in the CRP 4th Annual Monitoring Report.)</p>

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	<p>expanded EMP will be up to June 2009. FEMU will submit revised EMP plan to ADB, WAPDA and MOWP.</p> <p>B.2 FEMU will prepare a PC-1 2 (note: this should be PC-2) document of EMP for the period 2005-2006 that will be covered by the National Drainage Sector Project, and submit to MOWP for approval.</p> <p>B.3 FEMU will prepare another PC-1 document of EMP for the period 2007–2009 that will be covered by the Chashma Project, and submit to MOWP for approval.</p> <p>B.4 FEMU will commence implementation of the revised EMP.</p> <p>B.5 FEMU will submit quarterly progress reports of the expanded EMP to MOWP and ADB.</p>	
<p>C. Hill Torrent Management Plan</p>	<p>C.1 The consultants will submit a draft final report of the updated feasibility study to IPD-Punjab. IPD-Punjab will submit a copy to MOWP and ADB.</p> <p>C.2 IPD-Punjab and ADB will review and provide comments on the draft final report. As already stated in the TOR for the updated feasibility study, to be eligible for ADB financing, the plan will have to satisfy ADB's existing safeguard policies on environment, involuntary resettlement and indigenous people. ADB will review if these policies were complied. The plan also should reflect the feedback from the people who would be benefited or affected by the plan through the consultations made under the study. A tripartite meeting will discuss necessary follow-up analyses with the consultants.</p>	<p>Partially complied</p>

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Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
	<p>C.3 If necessary, the consultants will carry out additional study. The consultants will submit a final report to IPD-Punjab. IPD-Punjab will submit a copy to MOWP and ADB for clearance.</p> <p>C.4 IPD-Punjab will prepare PC-1.</p> <p>C.5 ECNEC will approve PC-1</p> <p>C.6 ADB approval of the major change in the Project scope</p> <p>C.7 IPD-Punjab will establish a project office, mobilize staff, recruit consultants, and start procurement.</p> <p>C.8 IPD-Punjab will complete the works and submit a completion report to MOWP and ADB.</p>	
<p>D. Other Remedial Measures</p> <p>1. To address the issue of reduced transportation access due to canals (Note: Existing bridges over the 151 km-long main canal are 12 district road bridges, 26 village road bridges, and 28 footbridges. The average interval is 2.3 km for pedestrians and 4.0 km for vehicles. Those over 644 km-long distributaries are 41 arterial road bridges, 23 district road bridges, 176 village road bridges, and 691 footbridges. The average interval is 0.7 km for pedestrians and 2.7 km for vehicles.)</p> <p>2. To address the flood problem in the area along the Vehowa Nullah that is caused by the embankment that was constructed under an IPD-Punjab's own program (outside the Project).</p> <p>3. Others, if identified.</p>	<p>D.1.1 WAPDA and IPDs will prepare criteria for provision of additional vehicle road bridges and footbridges to the main canal and distributaries, in consultation with relevant Districts and all Union Councils in the Project area. The criteria will be submitted to ADB for clearance.</p> <p>D.1.2 Following the criteria and in consultation with user villagers, WAPDA and IPD will provide additional bridges in accord with the criteria under D.1.1. WAPDA will submit a completion report to MOWP and ADB.</p> <p>D.2 Protection of Mauza Churkin is included in the Hill Torrent Management Plan and will be addressed adequately.</p> <p>D.3 WAPDA and IPDs will promptly implement any other actions that will remedy adversely affected people, as agreed to with ADB.</p>	<p>Compliance confirmed in the CRP 4th Annual Monitoring Report</p>

Note: CDWP – Central Development Working Party; DCO – District Coordination Officer; FEMU – Federal Environmental Management Unit; IPD – Irrigation and Power Department; LAC – Land Acquisition Collectors; OFWM – On Farm Water Management; PDWP – Provincial Development Working Party

Recommendations	Actions Agreed to by ADB and the Government	Compliance Status Determined by the Compliance Review Panel
E. Project Monitoring and Evaluation	<p>E.1 An independent cell within WAPDA and BORS will be established in a transparent manner with the head of the cell to be appointed in consultation with ADB. The Government will submit a concrete proposal in this regard.</p> <p>E.2 Established monitoring cell will report the status to WAPDA and MOWP. Reports will be forwarded to ADB.</p>	<p>Complied with (The changing status is being observed during this monitoring period.) Progress shows that monitoring activities have been undertaken and reports have been submitted to ADB.</p>
F. Grievance Redress Mechanism	<p>F.1 Establishment of a complaint center under CRBC Office, which will be announced to the people in the Project area. WAPDA would nominate a committee consisting of an executive engineer and two junior engineers to register and process the complaints on trial basis for six months and submit monthly progress report to the Ministry of Water and Power and ADB for review.</p> <p>F.2 After the trial period is over, continuation or revision will be considered based on the performance of the mechanism.</p>	<p>Compliance confirmed in the CRP 2nd Annual Monitoring Report.</p>

Table of General Remedial Actions

Inspection Panel Recommendation Number	Recommendations for General Remedial Actions	Compliance Status Determined by the Compliance Review Panel
(iv)	<p>With respect to ongoing and future large-scale canal irrigation projects of ADB, ADB should ensure that appropriate, reliable, transparent and participatory mechanisms are in place, so that the requirements under ADB's policy on involuntary resettlement and anticorruption policy, specifically with regard to the following, can be carried out:</p> <ul style="list-style-type: none"> (a) to provide adequate compensation for land acquisition on a land-for-land basis or, when not possible, on a cash compensation basis at levels that enable the affected households to buy land of equivalent value; (b) any issues relating to corruption; and (c) the borrowing country's carrying out any resettlement in accordance with requirements under ADB's policy on involuntary resettlement 	Compliance confirmed in the CRP 4 th Annual Monitoring Report
(v)	<p>ADB should ensure that</p> <ul style="list-style-type: none"> (a) sufficient ADB human resources are available to ensure a satisfactory level of support for, and monitoring of, the implementation of any resettlement plans, environmental management plans or other measures required under ADB's safeguard policies; and (b) that ADB staff are aware of their duties and obligations in the formulation, processing and implementation of ADB-assisted projects pursuant to ADB's operational policies and procedures 	Compliance confirmed in the CRP 4 th Annual Monitoring Report