



**ADB Accountability Mechanism
Compliance Review Panel**

Annual Monitoring Report 2004-2005

**to the Board of Directors
on Implementation of Remedial Actions on the Inspection Request**

**on the Chashma Right Bank Irrigation Project (Stage III) in Pakistan
(ADB Loan No. 1146-PAK[SF])**

12 September 2005

Contents

Page

Abbreviations, Glossary and Currency	ii
About the Compliance Review Panel	iv
Acknowledgements	v
Map	vi
I. Introduction	1
II. Project Description	1
A. Scope, agencies and financing	1
B. Project status.....	2
III. Inspection Request and Outcome	2
A. Request.....	2
B. Outcome.....	2
IV. Board-Approved Remedial Actions.....	3
A. Board decision.....	3
B. Inspection Panel's recommendation.....	3
C. BIC's recommendation	4
V. Conduct of Monitoring.....	5
A. Terms of Reference.....	5
B. Methodology.....	6
C. CRP Monitoring Progress Report.....	6
D. Delayed submission of CRP Annual Monitoring Report.....	7
VI. Findings and Assessment.....	7
A. Implementation of project-specific recommendations	7
B. CRP's observations on status of implementation of project-specific recommendations.....	9
C. Implementation of general recommendations	14
D. CRP's observations on status of implementation of general recommendations..	14
VII. Conclusions.....	15
Appendixes	
1. Table of Remedial Actions Specific to the Chashma Right Bank Irrigation Project (Stage III).....	17
2. Table of General Remedial Actions	32

Abbreviations, Glossary and Currency

Abbreviations

ADB	-	Asian Development Bank
BCRC	-	Board Compliance Review Committee
BIC	-	Board Inspection Committee
BOR	-	Board of Revenue
BTOR	-	back-to-office-report
CRBC	-	Chashma Right Bank Canal
CRBIP	-	Chashma Right Bank Irrigation Project
CRP	-	Compliance Review Panel
ECNEC	-	Executive Committee of the National Economic Council
EIA	-	environmental impact assessment
EMP	-	Environmental Management Plan
FEMU	-	Federal Environmental Management Unit
FCC	-	flood carrier channel
GOP	-	Government of Pakistan
GRSC	-	Grievance Redress and Settlement Committee
IPD	-	Irrigation and Power Department
KfW	-	Kreditanstalt für Wiederaufbau
M&E	-	monitoring and evaluation
MOU	-	Memorandum of Understanding
MOWP	-	Ministry of Water and Power
NDP	-	National Drainage Program
NDSP	-	National Drainage Sector Project
NGO	-	nongovernment organization
NWFP	-	North-West Frontier Province
PC-1	-	Proforma 1 of the Planning Commission
PCRWR	-	Pakistan Council for Research on Water Resources
PIME	-	project impact monitoring and evaluation
RSDD	-	Regional and Sustainable Development Department
SARD	-	South Asia Department
TOR	-	terms of reference
WAPDA	-	Water and Power Development Authority

Glossary

<i>abiana</i>	irrigation service fee
ha	hectare
<i>marla</i>	20.9 square meters
<i>nakka</i>	specified turnout point on the official watercourse from which farmers divert water into their fields
<i>nazim</i>	locally-elected district or sub-district (<i>tehsil</i> or union) head of local government
<i>nullah</i>	natural channel or gully formed by hill torrents that flow only when precipitation falls in its catchment area, from which water is diverted for <i>rod kohi</i> agriculture
<i>rod kohi</i>	spate irrigation system from hill torrent flood waters
<i>tehsil</i>	a sub-district unit of local government
union	a sub-tehsil unit of local government
<i>warabandi</i>	registered water rotation system

Currency

\$	US dollar
Rs.	Pakistan rupee

About the Compliance Review Panel

The Compliance Review Panel (CRP) is a 3-member independent body, appointed by the Board of Directors (Board) of the Asian Development Bank (ADB) to carry out the compliance review phase of the ADB Accountability Mechanism. People who are 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 Mechanism.

The CRP investigates whether the harm suffered by project-affected people is caused by ADB's non-compliance of its operational policies and procedures, and recommends to the Board remedial actions. The CRP reports directly to the Board on all activities, except for specific activities where the CRP reports to the Board Compliance Review Committee (BCRC), to clear its terms of reference for a compliance review and to review its draft monitoring reports. BCRC is a standing Board committee of 6 members.

Currently, the CRP consists of Augustinus Rumansara as Chair, and Richard Bissell and Vitus Fernando as members.

Augustinus Rumansara is an Indonesian national. Before joining the CRP, he worked with the private sector in Indonesia at BP (formerly British Petroleum) as Vice-President for Integrated Social Strategies. Prior to that, he worked for many years with civil society organizations from grassroots community groups to regional and international NGO advocacy networks. His work included facilitating advocacy activities of Indonesian NGOs with national and foreign governments, and multilateral development banks to promote concerns for human rights, equity and justice, people's participation, good governance, sustainable development, and environment conservation.

Richard Bissell, a United States national, is an international economist currently serving as a senior executive with the National Academy of Sciences, Washington, DC. He has worked extensively in the past on enhancing community participation in development with the World Commission on Dams, the World Bank Inspection Panel, and the United States Agency for International Development.

Vitus Fernando, a Sri Lankan national, is currently working on a series of policy and institutional issues related to international development cooperation. He has held senior positions with a variety of multilateral and bilateral agencies, and at the national level, with the Ministries of Planning and Economic Affairs; Fisheries; and Environment and Forests in Sri Lanka. He was the director of the Asia/Pacific Program of the International Union for Conservation of Nature.

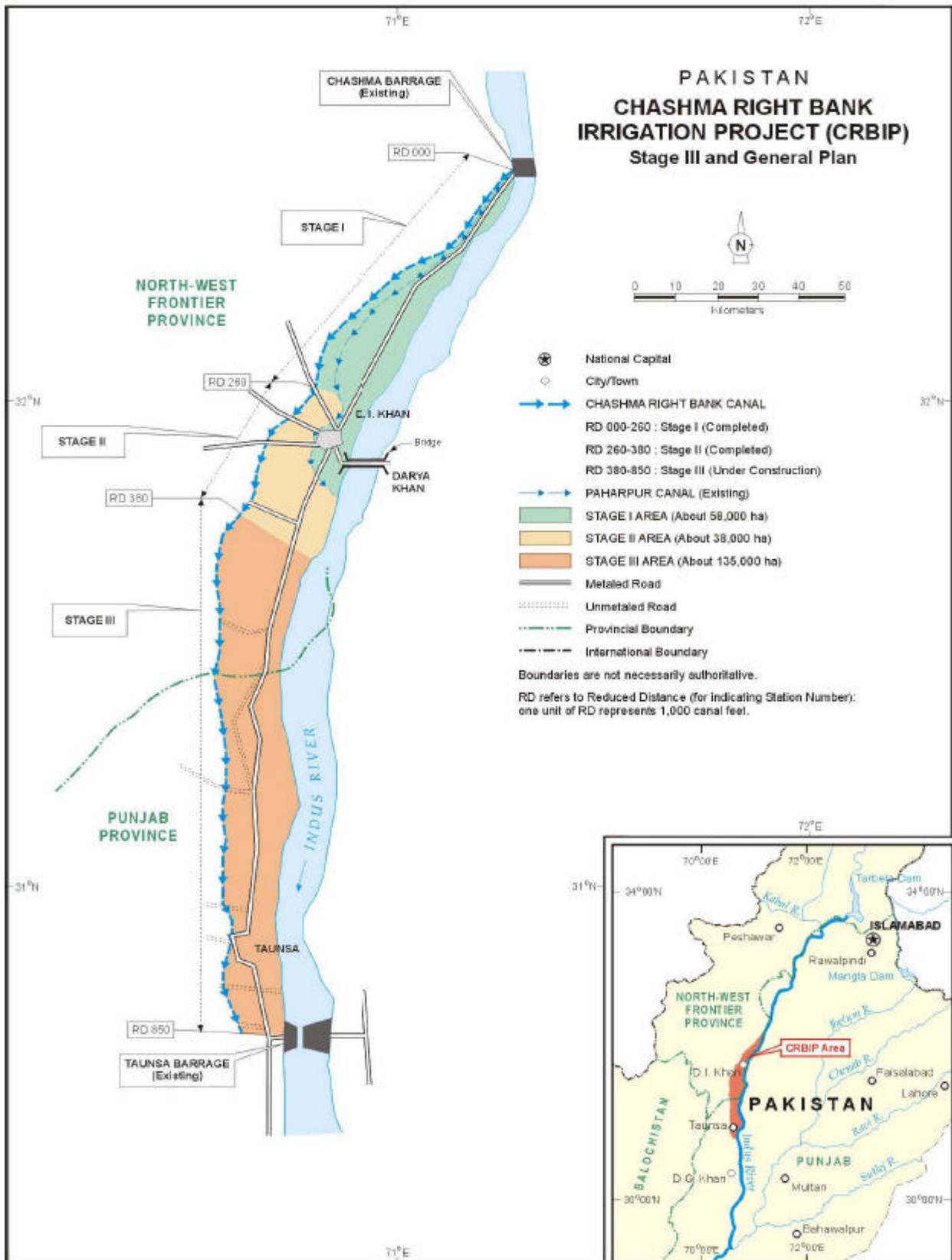
For more information on the CRP, visit www.compliance.adb.org.

Acknowledgements

The Compliance Review Panel (CRP) acknowledges and record its thanks to the following, within and outside the Asian Development Bank (ADB), as well as persons who requested that their identities be kept confidential, for cooperating with the CRP, communicating their views, or assisting the CRP in preparing this Annual Monitoring Report:

- the Executive Director representing Pakistan on the ADB Board of Directors (Board)
- other Board members
- ADB Management and staff and
- civil society, including NGOs in and outside Pakistan.

Map



I. Introduction

1. This is the Compliance Review Panel (CRP) Annual Monitoring Report for the Chashma Right Bank Irrigation Project (Stage III) (Chashma Project or Project) under Loan No. 1146-PAK(SF). It covers the period from 19 August 2004, the date of decision by the Board of Directors (Board) of the Asian Development Bank (ADB) in the Chashma inspection request, to 31 August 2005.¹

2. The Board mandated the CRP to monitor ADB's implementation of Board-approved remedial actions, applying the relevant procedures of the Accountability Mechanism.² As the request was filed and investigated under the old Inspection Function, this monitoring mandate comes as a unique task for the CRP. In accordance with paragraph 48 of the CRP Operating Procedures, the CRP forwarded on 19 August 2005 a draft report to the Board Compliance Review Committee (BCRC) for its review, followed by a revised draft on 31 August 2005. The CRP finalized this report in consultation with the BCRC.

II. Project Description

A. Scope, agencies and financing

3. The Chashma Project was approved by the Board in December 1991. The Chashma Project covers a total cultivable command area of 135,000 ha of arid but potentially productive land. The Project objectives are to (i) provide a dependable perennial irrigation supply, (ii) ensure efficient distribution of water, (iii) provide necessary drainage and flood relief, (iv) improve access within the area, and (v) strengthen agriculture support services. It is the third and final stage of the overall Chashma Right Bank Irrigation Project (CRBIP), which has a total area of 231,000 ha in the North-West Frontier Province (NWFP) and Punjab, with Stages I and II financed by ADB and their operations commissioned in January 1987 and May 1993, respectively. The Stage I canal serves 58,000 ha, while the Stage II canal serves 38,000 ha, both situated in NWFP.

4. The Project has 4 components: (i) construction of the main canal and related facilities, including protection against flooding and erosion; (ii) construction of distributary canal and drainage facilities; (iii) on-farm water management; and (iv) agricultural and livestock extension. It also includes support for operation and maintenance and project monitoring. A grant of \$1 million, financed from ADB's Japan Special Fund, was also provided to strengthen environmental management for water resources development.

5. The estimated project cost in the Report and Recommendation of the President (RRP) was \$287.5 million equivalent, with an ADB loan of \$185 million, Kreditanstalt fur Wiederaufbau (KfW) providing a loan of \$40 million, and the Government of Pakistan (GOP) financing the remaining \$62.5 million. In 1999, the Board approved additional financing of \$33.5 million resulting from a change in scope under the NDSP (Loan No. 1413-PAK(SF)) to meet a \$50.5 million equivalent financing gap caused by anticipated cost overruns.

¹ The CRP Progress Monitoring Report dated 17 March 2005 was issued to the Board and posted on the CRP website at [http://www.compliance.adb.org/dir0035p.nsf/attachments/ChashmaMonitoring_ProgressReport_17Mar05.pdf/\\$FILE/ChashmaMonitoring_ProgressReport_17Mar05.pdf](http://www.compliance.adb.org/dir0035p.nsf/attachments/ChashmaMonitoring_ProgressReport_17Mar05.pdf/$FILE/ChashmaMonitoring_ProgressReport_17Mar05.pdf).

² ADB. 2003. *Review of the Inspection Function: Establishment of a New ADB Accountability Mechanism* at http://www.adb.org/Documents/Policies/ADB_Accountability_Mechanism/ADB_accountability_mechanism.pdf.

6. The borrower is the GOP. The project executing agencies are Water and Power Development Authority (WAPDA); NWFP's Planning, Environment and Development Department; and Punjab's Planning and Development Department.

B. Project status

7. The loan closing date originally scheduled on 30 September 2000 was extended several times to 30 September 2004, mainly to finance actions proposed to address the concerns of project affectees. Although the loan closing date expired on 1 October 2004, ADB kept the loan account open pending a formal request by GOP for an extension pursuant to actions to be taken under the Project following the Board-approved remedial actions. With the receipt of the GOP's formal request in March 2005, ADB on 29 March 2005 extended the loan closing date to 30 June 2009.

8. As of 31 July 2005, 81% of the ADB loan has been disbursed; the cumulative contract awards to the ADB loan are 82%; and the Project progress is 99%. As of February 2005, there is about \$42 million of the ADB loan undisbursed, and the operations department administering the Project – South Asia Department (SARD) – has estimated that the fund requirements for agreed remedial actions be as follows: about \$5 million for the actions to be carried out under the Grievance Redress and Settlement Committee (GRSC); \$3 million to finance the expanded Environmental Management Plan (EMP); \$12 million for the Hill Torrent Management Plan (HTMP); and \$14 million for contingencies.

III. Inspection Request and Outcome

A. Request

9. In November 2002, a request for the Chashma inspection was filed with the Board Inspection Committee (BIC) under the previous inspection function. The requesters were Mr. Ahsan Wagha of Damaan Development Organization; Mr. Zafar Iqbal Lund of Hirak Development Center; Mr. Mushtaq Gadi of Sungi Development Foundation; Mr. Muhammad Nauman of Creed Alliance; Mr. Khadim Hussain of Action Aid-Pakistan; and Mr. Shafi Qiasrani of CRBIP Affectees, as project affectees, all authorized to represent the Project affectees in the Chashma inspection request. They claimed ADB had breached its operational policies and procedures in formulating and processing the Project, with material adverse effect on Chashma affectees. Various issues were raised, including the following: project induced flooding and involuntary resettlement; inadequate compensation for loss of land, other assets and livelihoods; adverse impacts on traditional *rod kohi* farmers; design-related social and environmental problems; and lack of information sharing, consultation and participation of affected people. The CRP notes that the requesters chose to disengage from their role as requesters in the inspection process in March 2004 when the Inspection Panel carried out its investigation in the project area.

B. Outcome

10. In March 2003, BIC submitted its report to the Board recommending an inspection to commence in December 2003, after the scheduled completion of a grievance redress process established by GOP in consultation with ADB.³ The Board approved BIC's recommendation and

³ The Grievance Redress and Settlement Committee (GRSC) was established by GOP in February 2003 with ADB's assistance. The GRSC's principal task was to reach a solution to all outstanding problems raised by land

an inspection panel was established to conduct the investigation from December 2003 to April 2004. The Inspection Panel submitted to BIC its final report in June 2004. BIC prepared and forwarded to the Board its Report and Recommendation in July 2004.

IV. Board-Approved Remedial Actions

A. Board decision

11. On 19 August 2004, the Board considered the BIC Report and Recommendation (BIC Report) on the Chashma inspection request.⁴ The Board in approving BIC's recommendation approved (i) the recommendation of the Inspection Panel and (ii) that the CRP monitor ADB's implementation of the Board decision, applying the relevant procedures of the ADB Accountability Mechanism. The BIC Report recommended to the Board that in the implementation of the Board-approved remedial actions, Management will need to take into consideration the factors considered in paragraphs 31 to 38 of the BIC Report.

B. Inspection Panel's recommendation

12. The Inspection Panel's recommendation consisted of 5 parts – parts (i), (ii) and (iii) are specific to the Project, and parts (iv) and (v) are of general application. The Inspection Panel's recommendation is in the Inspection Panel's Report⁵ and is quoted in full below.

"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;

acquisition, resettlement, compensation, and rehabilitation accruing to claimants under this Project. The GRSC carried out its activities from its inauguration in May 2003 to December 2003. In October 2003, it submitted to the Ministry of Water and Power (MOWP) its report with 16 recommendations.

⁴ 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). The BIC Report is at http://www.adb.org/documents/inspection/pak/chashma_irrigation/text.pdf.

⁵ The Inspection Panel Report is at http://www.adb.org/documents/inspection/pak/chashma_irrigation/appendix6-panel-report.pdf.

(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."

C. BIC's recommendation

13. It is important to highlight BIC's acknowledgement of Management's need to consider the factors discussed in paras. 31 to 38 of the BIC Report in understanding how Management will implement the Board-approved remedial actions. For this reason, the relevant provisions are quoted below.

- **Para. 31.** ..., the BIC acknowledges that several elements of the Panel's recommendation, particularly those in part (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 unirrigated 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 recommendation) 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.

V. Conduct of Monitoring

A. Terms of Reference

14. CRP's monitoring is carried out by CRP Chair Augustinus Rumansara as Lead Post-Decision Monitor. He is overall in charge of the monitoring process. He is assisted by the other CRP members, Mr. Richard Bissell and Mr. Vitus Fernando, with support from the CRP Secretary and the CRP Associate Secretary.

15. In preparing the draft terms of reference (TOR) for monitoring, the CRP met with the ADB President, the Board member representing Pakistan, other Board members, and Management and staff. The CRP was informed that the Vice President (Operations 1) is the focal point for Management for implementing the remedial actions, with the Director General, SARD responsible for the day-to-day activities.

16. On 29 September 2004, the CRP posted its draft TOR on the CRP website for comments and information by interested parties. The CRP separately informed the requesters as well as other interested stakeholders of the opportunity to comment. As there were no comments received on the draft TOR by the deadline, the TOR was finalized on 13 October 2004.⁶ In finalizing the TOR, the CRP noted that ADB had not reached complete agreement with GOP on the project-specific remedial actions in Annex 4 of the TOR. On Annex 5 of the TOR relating to general remedial actions, Management did not provide a timeframe at the time of finalization of TOR. However, in March 2005, Management informed the CRP that it would provide CRP with a report by April 2005.

⁶ At [http://www.compliance.adb.org/dir0035p.nsf/attachments/2004-CRP-Chashma_Monitoring-2.pdf/\\$FILE/2004-CRP-Chashma_Monitoring-2.pdf](http://www.compliance.adb.org/dir0035p.nsf/attachments/2004-CRP-Chashma_Monitoring-2.pdf/$FILE/2004-CRP-Chashma_Monitoring-2.pdf).

B. Methodology

17. Since October 2004, the CRP has been meeting and communicating with the requesters who have disengaged themselves from their role as requesters in the inspection process.⁷ The CRP also had follow-up meetings and communications with the Vice President (Operations 1); the Director General, South Asia Department and other staff; the Board member representing Pakistan; and other Board members. The CRP has supplemented these information sources through communications with various stakeholders, including nongovernment organizations (NGOs) in and outside Pakistan.

18. As indicated in the CRP Monitoring Progress Report of March 2005, the CRP planned a field visit in Pakistan, including the project area. The visit was planned prior to the preparation of this report, but the CRP was requested by GOP to postpone the mission originally scheduled in June 2005 to July 2005 since it was busy with budget preparation. The July 2005 mission could not take place due to flooding in the project area. The CRP discussed with the Board member representing Pakistan on rescheduling its visit in November 2005. The GOP has confirmed the CRP's upcoming mission from 13-21 November 2005. The CRP has informed civil society and NGOs with whom it has been in contact of the upcoming mission so that the CRP can meet with NGOs and also get their help to facilitate CRP meetings with affected people in the project area.

19. The CRP has thus prepared this report based on a desk review, without the benefit of a site visit. This review includes meetings with NGOs, and ADB Management and staff; documents, such as back-to-office reports (BTORs) of ADB missions, Aide-Memoires and Memoranda of Understanding (MOUs), and email communications from NGOs and civil society. The CRP's focus is on ADB's implementation of the remedial actions, and the measures taken in the implementation, as well as its own steps taken in following up with Management and staff, and communicating with interested civil society members.

C. CRP Monitoring Progress Report

20. The CRP posted its Monitoring Progress Report of 17 March 2005 on the CRP website. The CRP also informed the ex-requesters of the posting by email of 18 March 2005. The Monitoring Progress Report stated in para. 5 that "Three ADB missions to Pakistan were fielded, in October and December 2004, and February 2005 to discuss with the GOP a comprehensive action plan to address outstanding problems. These were followed-up through correspondence with Government officials. Despite these efforts, a complete agreement on remedial actions has not been reached. ... In parallel with ongoing negotiations on the comprehensive action plan, loan closing date extension, and utilization of surplus loan proceeds, preparatory work has been progressing on the Environmental Management Plan and the Hill Torrent Management Plan. Government payment for acquired land under the Project is continuing."

21. The CRP stated it would follow up with Management and staff on the outcome of assurances given, including a report on specific remedial actions. Additionally, the CRP Monitoring Progress Report of March 2005 stated that Management would provide to the CRP in April 2005 (i) an update on the outcome of the scheduled visit of Vice-President (Operations 1) to Pakistan in early 2005, and (ii) a report on the progress of general remedial actions.

⁷ The CRP was informed by an email of 12 October 2004 that the original inspection requesters had decided to disengage themselves from their role in the process.

D. Delayed submission of CRP Annual Monitoring Report

22. The CRP's first Annual Monitoring Report is required to be provided to the Board before 19 August 2005, one year after the Board's decision. This was not possible due to (i) the rescheduling of the CRP's planned visit to Pakistan, including the project area, and (ii) Management's delayed production of the reports on the progress of specific and general remedial actions. In consultation with the BCRC Chair, it was agreed that the CRP will provide the Board with an annual monitoring report in September 2005, with a follow-up report by end December 2005. The CRP will include in this follow-up report the outcome of the CRP's upcoming mission in November 2005. On 1 August 2005, the CRP received Management's consolidated report on specific and general remedial actions. The CRP received supplementary material from Management on 9 August 2005 and wrote to Management the same day requesting additional material.

VI. Findings and Assessment

A. Implementation of project-specific recommendations

23. **ADB missions and communications.** Management prepared a draft action plan on the project-specific remedial actions and provided them to GOP and the requesters in late August 2004, after the Board decision on 19 August 2004. On the project-specific recommendations, ADB has fielded 7 missions⁸ to Pakistan after the Board decision. Of these missions, 6 were led by SARD and one by Vice-President (Operations 1). In April 2005, the Vice-President (Operations 1) met the Secretary, Ministry of Water and Power (MOWP) and urged the GOP to take active actions to implement the Board-approved recommendations. He was promised that the GOP would take actions to accelerate the process. He also met the Prime Minister who expressed full commitment to implement the recommendations, and gave instructions to concerned government officials for actions to be taken immediately.

24. **Input from ex-requesters and NGOs on ADB's draft action plan.** The CRP notes that in 2 missions, ADB officials also met or communicated with NGOs and project affectees to seek inputs in finalizing the draft action plan prepared by Management; but no comments have been received. However, there has been an exchange of views between Mr. Gadi,⁹ an ex-requester, and the Director General, SARD. The requesters were asked to provide inputs on the draft action plan. The CRP understands that the ex-requesters have insisted that there should be consensus among ADB, GOP and them on the action plan but ADB is of the view that GOP's agreement is needed first. Also, the ex-requesters have insisted that meetings be held with them at the project site, and not in Islamabad. Mr. Gadi has had several email communications with SARD and does not wish to provide comments on the action plan.

25. In an email of 8 June 2005, Mr. Gadi informed Director General, SARD that his fellow villagers in the project area "have abandoned to seek any remedy" from ADB but he proposed the following personal suggestions: (i) ADB should publicly made confessions of its violations and wrongs as committed in the case of the Chashma Right Bank Canal, with the Board approving this confession and releasing it for public information; (ii) ADB should commit itself to seek prior and informed consent of local communities for any remedial work; (iii) *abiana*

⁸ October – November 2004; December 2004; February 2005; March 2005; April 2005; April – May 2005; and June-July 2005.

⁹ He is involved in the Chashma Lok Sath (Chashma People's Tribunal or Assembly) held in March 2005 and Chashma Lok Sangh (Chashma People's Pilgrimage) held in June and July 2005. The CRP notes that ADB staff attended the Lok Sath in March during the March 2005 mission.

(irrigation service fee) should not be imposed for 15 years; (iv) any resettlement plan should be developed with the consent of the local communities; (v) the HTMP should be immediately disclosed to local communities; and (vi) specific parts of BTORs concerning ADB missions with GOP should be disclosed to ensure transparency in the negotiation process on the new agreement.

26. The CRP notes that these email exchanges pertain to matters not related to the draft action plan, although the latest 16 June 2005 email from Director General, SARD to Mr. Gadi repeated ADB's earlier requests for Mr. Gadi's comments on the draft action plan (to which he had earlier responded that no comments would be provided). In the 16 June 2005 email, ADB responded that documents relating to HTMP, such as summary initial environmental examination, would be disclosed if ADB decides to fund this activity; that ADB would consult with GOP on whether the matters agreed with GOP could be disclosed; and that ADB believed *abiana* (irrigation service fee) is prudent as a means of recovery of reasonable operations and maintenance cost from beneficiaries to ensure financial sustainability in irrigation.

27. **Progress on discussion between ADB and GOP on ADB's draft action plan.** The CRP finds that Management is according serious attention to the implementation of project-specific remedial actions. The CRP notes that although ADB sent the first draft action plan to GOP in August 2004, no agreement could be reached during the first 6 months.¹⁰ Matters took a positive turn in February 2005 with (i) MOWP's agreement to serve as a focal point of the action plan, being responsible for monitoring the implementation of the agreed actions, in coordination with the 3 executing agencies (WAPDA, NWFP government, and Punjab government) and for liaising with ADB on behalf of GOP; and (ii) the substantial narrowing down of differences between ADB and GOP on the final draft action plan.

28. **Progress on implementation of project-specific recommendations.** The CRP finds that overall ADB has made limited progress in the implementation of the project-specific recommendations. Some progress was achieved in March 2005 when GOP requested an extension of the loan closing date to 30 June 2009, which ADB approved on 29 March 2005. In March 2005, GOP, through MOWP, confirmed the February 2005 Aide-Memoire containing the final draft action plan. This action plan contained project-specific remedial actions including the 16 GRSC recommendations, the implementation of the expanded EMP, and the implementation of the HTMP.

29. On the GRSC recommendations, the CRP finds that progress in implementation is mixed from "action completed" (GRSC recommendation #2) to significant progress (GRSC recommendation #1(e)) to "action in progress" (GRSC recommendation #5) to "action yet to be commenced" (GRSC recommendation #13) to "action being suspended" (GRSC recommendation #15). On the implementation of the EMP and HTMP and in the application of monitoring and evaluation (M&E) activity, the CRP finds no progress. The CRP will refer to the implementation of these matters in the next section.

30. **ADB Management's Report on project-specific remedial actions.** On 1 August 2005, the CRP received from Management its report on the project-specific remedial actions, including the final draft action plan, with actions agreed to by ADB and GOP.¹¹ The CRP has incorporated this action plan in Appendix 1 (Table of Remedial Actions Specific to the Chashma Project) after discussing with SARD on updates. The CRP notes that certain project-specific actions including

¹⁰ BTOR of 2 March 2005, para. 2.

¹¹ Memo from Vice President (Operations 1) to Chair, CRP of 1 August 2005, with attached Management Report.

those addressing the issue of reduced transportation access due to canals and the establishment of a new complaint center go beyond the ambit of the Board-approved remedial actions as they indicate Management's efforts to address the concerns of project affected people. These however are included in Appendix 1 as they form part of the Management's overall implementation measures. The CRP notes that feedback from project affectees and civil society is desirable for their involvement in ensuring effective implementation of the remedial actions, as they ultimately impact the project affectees.

B. CRP's observations on status of implementation of project-specific recommendations

31. Procedure to finalize the action plan and signing of a legally binding agreement.

The CRP understands that ADB Management and staff have made considerable efforts to initiate implementation of the project-specific remedial actions. The CRP notes that Management is of the view that a fresh agreement or a memorandum of understanding is better signed between ADB and GOP so that commitment to implementation is formally recorded.¹² The CRP notes that GOP does not agree with this view as it has already agreed to the action plan when it confirmed the Aide-Memoire of ADB's February 2005 Mission containing the draft final action plan through its letter of 9 March 2005. Despite the fact that both parties have not restated their agreement in a formalized document, both parties appear to be working on the implementation of the action plan. ADB might consider moving forward on this matter in a pragmatic way given the GOP's positive stance on this matter.

32. The CRP notes that any signed MOU or confirmed Aide-Memoire indicate the intention of the parties to abide by the subject matter of the MOU or Aide-Memoire. An amendment to the loan agreement between ADB with GOP might be considered when all the implementation arrangements of the HTMP and EMP are firmed up and approved by the parties. The amendment might also cover the agreements reached by ADB and GOP authorities on other project-related matters including the extension of the loan closing date and the GRSC recommendations.

33. **Application and interpretation of GRSC recommendation #1(a) on compensation for all land acquisition cases.** The CRP finds that GRSC recommendation #1(a) on market value as determining factor of compensation amount is now agreed by ADB and GOP to mean "average transaction price" instead of "market price, on the basis that "the average transaction price can also be considered to represent the market value". The CRP understands that GRSC in its course of work during May to October 2003 had considered the average sale transaction price but instead recommended "market price" as it is arrived at after determining various factors, including market value of the acquired land, sale transactions and price trends. The CRP is concerned that GRSC recommendation #1(a) will not be pursued by ADB and with the substitution of the market rate, which is the closest to "replacement cost" under the involuntary resettlement policy, by the average transaction price. The average transaction price could well result in less being paid to the affectees under the GRSC recommendation. The CRP has requested clarification from Management and staff on the basis and methodology for using "average transaction price". If the average transaction price is in effect the same as the market price, then it is a matter of semantics on using either price, and the "market price" reference is still kept intact without any replacement. The CRP is unable at this point of time to ascertain whether the two reference prices mean the same thing.

¹² BTOR of 13 July 2005, para. 2.

34. **Application and interpretation of GRSC recommendation #1(b) on compensation premium of 25%.** The BIC Report stated that all GRSC recommendations except for Recommendation #1(b) were accepted by GOP.¹³ On this recommendation, the GRSC recommended 25% instead of the usual 15% compensation premium for involuntary land acquisition.¹⁴ The CRP has been informed by ADB staff that the usual 15% compensation premium will continue to be applied by the GOP.

35. **Application and interpretation of GRSC recommendation #1(c) on payment of interest from the date of possession to date of actual payment of compensation.** On GRSC recommendation #1(c), the period for payment of interest has now been agreed by ADB and GOP as from the date of possession to date of actual notification of payment of compensation to the affectees. The CRP has sought clarification from Management and staff and has been informed that delays after notification to affectees are attributable to landowners and not to GOP. This change was also made to take into account absentee landowners who delay securing payment in order to get more interest. The CRP has been informed by ADB staff that the notification of payment of compensation is being carried out effectively. The CRP will get feedback from the project affectees it will meet in its upcoming mission on whether the notification of payment of compensation is being carried out satisfactorily.

36. **GRSC recommendation #2 on identifying and compensating claims for damage to land during construction.** The CRP notes Management's status report that the action is completed. The CRP will get feedback from the project affectees it will meet in its upcoming mission on whether the 84 cases considered legitimate have been satisfactorily settled.

37. **GRSC recommendation #3 on verification of claims and compensation for crops and trees, loss of infrastructure and dwellings, etc.** The CRP notes Management's status report that the action is completed as all claims received were found illegitimate and that if new evidence were submitted, the claims would be reviewed again.

38. **GRSC recommendation #4 on sanctioning additional *nakkas*¹⁵ for severed land.** The CRP notes that Management forwarded in May 2005 about 667 claims to MOWP for onward processing by NWFP and Punjab but the action has yet to commence. The CRP suggests that Management follow up with GOP to commence action under this recommendation.

39. **GRSC recommendation #5 on land and other forms of compensation to smallholders for loss of income and livelihood, including tenants, sharecroppers or leaseholders.** The CRP understands 1 out of the 5,212 grievances received by GRSC related to this claim.¹⁶ However, in a subsequent BTOR of 2 March 2005, this figure was increased to 2 claims received by GRSC – 1 each in NWFP and Punjab.¹⁷ In Management's Report of 1 August 2005, it is stated that Punjab has identified 6 households. The latest BTOR of 13 July 2005 states that the figures from NWFP have yet to be provided.¹⁸ The CRP finds the figures require verification by ADB on the actual numbers of landowners with 5 acres or less. The CRP notes that the category of tenants, sharecroppers or leaseholders in this recommendation has not been included in the action plan though it was included in the November 2004 Aide-

¹³ Para. 31.

¹⁴ BIC Report, footnote 51.

¹⁵ *Nakkas* are specified turnout points on the official watercourse from which farmers divert water into their fields.

¹⁶ BTOR of 17 November 2004, footnote 4.

¹⁷ BTOR of 2 March 2005, Annex B.

¹⁸ BTOR of 13 July 2005, Aide-Memoire, para. 16.

Memoire. ADB should explain the non-inclusion of this category in Management's response to this recommendation.

40. **GRSC recommendation #8 on improving irrigation water management.** The CRP notes that the Irrigation and Power Department (IPD)-NWFP will use loan funds to implement a 2-year irrigation improvement plan under this recommendation with ADB's agreement and inputs, with the International Water Management Institute as a service provider. The CRP notes that in the case of improving the irrigation water improvement in Punjab, IPD-Punjab will, instead of using ADB loan funds, prepare from its own resources its plan for improvement of irrigation water management. The CRP is of the view that ADB should engage with IPD-Punjab in ensuring the adequacy of its irrigation water management improvement plan to meet the requirements under this recommendation.

41. **GRSC recommendation #9 on finding means for land previously irrigated by *rodh kohi*¹⁹ to use canal water; GRSC recommendation #13 on improvement of flood protection bund for the 8 protected villages; and GRSC recommendation #14 on facilities on provision of water for animal and domestic use for the protected villages.** The CRP notes that no action has been taken yet or action has yet to commence on these 3 recommendations.

42. **GRSC recommendation #12 on provision of land to the landowners only in the flood impact zone.** The CRP notes that action is in progress and suggests that Management expedite the survey and follow up on the required action to provide the land to the eligible households.

43. **GRSC recommendation #15 on completion of remaining works on 2 incomplete flood carrier channels (FCCs).** The CRP notes that the Jat Wah and Mahoi FCCs are still incomplete pending consensus being reached by a majority of the affected people.

44. **Monitoring and evaluation by an independent entity acceptable to all parties.** The CRP is of the view of that the monitoring and evaluation should be read in the context of paragraph (i) of the Inspection Panel's Recommendation as well as a follow-up on the project impact monitoring and evaluation (PIME) studies. The PIME Studies (Phase II) and Stage III Benchmark (December 2002) were prepared by technical assistance consulting services financed by KfW. An "Institutions Report" also prepared in December 2002 under these consulting services identified a local counterpart institution, Pakistan Council for Research on Water Resources (PCRWR), to carry out PIME after Project completion.

45. The CRP notes that ADB in late 2004 proposed to GOP that WAPDA engage PCRWR or any other suitable agency for follow-up PIME studies completed in 2002, and that the TOR would include assessment of adverse impacts identified in the Inspection Panel's Report. The CRP understands that ADB has in February 2005 agreed with GOP on the setting up of 3 "independent" cells – 1 in WAPDA, 1 in NWFP's Board of Revenue (BOR), and 1 in Punjab's BOR – and that GOP would provide a concrete proposal to ADB. The CRP finds it difficult to understand how ADB can consider this in-house institutional arrangements to comply with the requirement of "monitoring and evaluation by an independent entity acceptable to all parties" as articulated in the Inspection Panel's Recommendation. The CRP notes BIC's views in para. 33 of the BIC Report that "adequate monitoring and follow up are important. ... appropriate monitoring will establish whether adequate measures are put in place in respect of '139 out of

¹⁹ *Rodh kohi* is spate irrigation system from hill torrent flood waters.

the compensated 462 households ... still residing in the flood impact zone'... 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." The CRP also notes BIC's views in para. 34 of its Report that M&E of environmental management measures need to be carried out.

46. The CRP is of the view that Management should re-address the need to have "monitoring and evaluation by an independent entity acceptable to all parties" as part of the remedial actions. Accordingly, the M&E should at the minimum cover (i) the implementation of GRSC recommendations; (ii) environmental management measures under the EMP; and (iii) the follow-up PIME studies completed in 2002. The CRP understands from Management and staff that there is no independent M&E for the GRSC recommendations as this activity is carried out in-house by WAPDA and other concerned agencies with regular follow-up by ADB. The CRP does not find this arrangement appropriate and there is a need to secure independent M&E activity. The CRP suggests that ADB might allocate adequate grant funds to carry out these M&E activities over the remaining project implementation period, as this will bolster ADB's attempts in securing independent M&E and also enable ADB to supervise effectively the consultants to properly carry out the much-needed M&E.

47. **Implementation of the EMP.** The CRP notes that the expanded EMP will address the issues of forest degradation, restricted access to grazing in previously unirrigated land, and possible development of new agro-industries. The CRP also notes that the EMP originally formed part of the ADB-assisted NDSP to assist GOP in the implementation of the National Drainage Program (NDP) and covered the Chashma Project. The CRP has been informed by Management and staff that (i) the EMP will be implemented in 2 phases under the NDP until the closure of the NDSP (31 December 2006) and thereafter (till 30 June 2009) by a special unit under WAPDA under the Chashma Project; and (ii) the Federal Environmental Monitoring Unit (FEMU), already established under the NDSP, is the only suitable unit to implement the EMP and starting the EMP under the NDP is the "fastest arrangement."²⁰

48. The CRP notes from ADB Management and staff that (i) commencement of the EMP under NDP has been delayed due to differing views within GOP on the necessary procedures for budget approval and delayed approval of a revised project planning document (PC-1)²¹ for NDP after its submission in December 2004 and (ii) approval of the revised PC-1 by the Executive Committee of the National Economic Council (ECNEC) was scheduled in mid-August 2005.²² The CRP understands that ADB will follow up with GOP on when ECNEC's approval will be given for the EMP under the NDP. On the EMP under the Chashma Project, the CRP understands that a PC-1 will be prepared by WAPDA and suggests that ADB work out with GOP suitable institutional arrangements to carry out the second phase of the EMP as FEMU will cease to exist upon the closure of the NDSP.

49. **Implementation of the HTMP.** The final feasibility report for the HTMP, carried out by consultants engaged by Punjab from its own resources, has been provided to ADB in May 2005. The CRP understands that ADB is not able to proceed with the implementation of the HTMP for possible financing by ADB under the Chashma Project as there are issues on technical

²⁰ ADB Management Report attached to memo from Vice President (Operations 1) to Chair, CRP of 1 August 2005, para. 12, footnote 10.

²¹ The CRP understands that the planning document PC-1 (Proforma 1 of the Planning Commission) is required for "development investment" such as an investment loan or grant funds leading to an investment loan project and that ECNEC is the final approving authority for the PC-1.

²² ADB Management Report attached to memo from Vice President (Operations 1) to Chair, CRP of 1 August 2005, para. 12.

soundness of the proposed investment. Accordingly, ADB has hired 2 individual consultants, one in June 2005 and one in August 2005, to review technical aspects. The CRP understands that ADB in its upcoming mission scheduled in October 2005 will discuss with GOP the consultants' recommendations on a revised HTMP to ensure that divergence structures on the hill torrents to be covered under the HTMP are made safer before ADB considers financing the HTMP under the Chashma Project.

50. **ADB's proposal on a grievance redress mechanism.** As part of the action plan, ADB proposed to GOP in late 2004 the re-establishment of a grievance redress mechanism by WAPDA (with a grievance review committee) for the extended project period based on the Entitlement Matrix produced by GRSC, and that grievances could be accepted either through union councils or directly by Chashma Right Bank Canal (CRBC) Office. This proposal was not accepted. WAPDA proposed the establishment of a complaint center in CRBC Office on a 6-month trial basis, which ADB agreed. The CRP understands that although the center was established in June 2005, there has been no public announcement. The CRP finds the establishment of a complaint center a positive step by both ADB and GOP in moving forward to provide a suitable means of redress for grievants, with the advantages and benefits generated under the previous GRSC. The CRP notes that additional claims received by the CRBC Office will be treated in the same manner as those received by the former GRSC, under recommendations #2 and #3. The CRP expects that ADB will follow up with GOP on a public announcement of the center as well as on the composition of the committee. The CRP will review the effectiveness of the complaint center.

51. **Need for Environmental Impact Assessment (EIA).** The CRP notes that the Inspection Panel's recommendation (ii) requires the preparation of a full EIA. It however also notes BIC's view on the need to consider the possible added value for the affected people as well as the feasibility of carrying out this activity at the advanced stage. The position of ADB Management is that a full EIA will not add relevant new information at this stage of project implementation "given the studies which underpin the EMP."²³ The CRP notes the advanced stage of the Project and its 99% progress, and Management's assurance that previous studies have already provided a satisfactory level of information for the EMP.

52. **Engagement of ex-requesters and project affectees and need for verification.** The CRP has engaged with ex-requesters, including the email exchanges²⁴ between an ex-requester, Mr. Gadi and the CRP Chair, and received the general response of non-engagement, as they have disengaged from the inspection process since March 2004. Mr. Gadi is willing to hold personal dialogue with ADB staff and GOP on future remedial actions. The CRP Chair met Mr. Gadi in the ADB Annual Meeting in Istanbul in May 2005 and discussed the Chashma monitoring. The CRP remains committed to engaging with affected people in performing its monitoring task. The responses from other NGOs such as Sungi Development Foundation have been positive. The CRP expects to meet with the affected people in the project area in the upcoming November 2005 mission. This mission will also provide the opportunity for the CRP to meet with government officials.

²³ BIC Report, para. 28.

²⁴ Emails of 20 October 2004, 19 October 2004 and earlier correspondence at [http://www.compliance.adb.org/dir0035p.nsf/attachments/Chashma%20email%20exchange.pdf/\\$FILE/Chashma%20email%20exchange.pdf](http://www.compliance.adb.org/dir0035p.nsf/attachments/Chashma%20email%20exchange.pdf/$FILE/Chashma%20email%20exchange.pdf).

C. Implementation of general recommendations

53. The CRP has requested updates from Management on the matters referred to in the CRP Monitoring Progress Report of 17 March 2005. In response to that report, Management gave its assurance that it is paying serious attention to the implementation of the Board-approved remedial actions. The CRP has not been satisfied with Management's timeliness in reporting on the status of implementation of general remedial actions, including establishing benchmarks for the CRP to measure progress in implementation. Appendix 2 provides the Table of General Remedial Actions.

D. CRP's observations on status of implementation of general recommendations

54. **Delay in providing updates on remedial actions.** The CRP Monitoring Progress Report was silent on the progress of general remedial actions as there was no report provided by Management. Management formally requested ADB departments to provide their inputs on the general remedial actions (recommendations (iv) and (v) by a memo of 21 July 2005. The CRP notes that no inputs on these recommendations (iv) and (v) have been requested from the Private Sector Operations Department although ADB's operations also include private sector operations, and the safeguard policies and anticorruption measures, together with other ADB's policies and procedures, equally apply to such operations.

55. **Limited usefulness of compliance statements.** Management's response to the CRP affords little guidance to the CRP in determining whether adequate measures have been taken in meeting the recommendations (iv) and (v) of the Board-approved remedial actions. Management has provided compliance statements in all irrigation projects (ongoing and under implementation) relating safeguard policies (specifically, involuntary resettlement) and anticorruption measures from 3 of the 5 regional departments.²⁵ These statements have limited usefulness in that they do not provide an overall assessment of the extent of ADB's compliance with the involuntary resettlement policy and anticorruption policy.

56. **Need to ascertain actual staff resources to support and monitor the implementation of safeguard policies.** Management has indicated that SARD has 2 compliance specialists, with the first position in place since 2004. The CRP understands that SARD has taken the lead among the operations departments in ensuring in-house compliance with ADB's safeguard policies²⁶ of projects under processing and implementation and that similar human resource requests from other departments are increasing. The CRP has not been provided with Management's assessment of whether sufficient staff resources have been made available to support and monitor the implementation of these policies in the operations departments (including country offices) as well as ADB's Regional and Sustainable Development Department (RSDD).²⁷

57. **Adequacy of staff awareness of ADB's operational policies and procedures.** The CRP has been provided with a "business as usual" approach that the normal ADB-wide orientation programs on social and environmental safeguards are provided to all professional

²⁵ The 3 regional departments are Mekong Department; South Asia Department; and Southeast Asia Department.

²⁶ Currently, ADB's safeguard policies refer to involuntary resettlement, environment, and indigenous peoples.

²⁷ The CRP understands that RSDD provides compliance oversight through monitoring the implementation of ADB's safeguard policies, provides advice and training to operations departments on safeguard implementation, and advises Management of compliance at key stages in the project cycle. ADB. 2005. *Regional and Sustainable Development Department: Towards Greater Relevance and Effectiveness*, Appendix 1, para. 13 at <http://www.adb.org/Documents/Policies/Regional-Sustainable-Dev/default.asp>.

staff twice a year, and orientation programs are held at divisional levels and in country offices. These appear to be the usual run of figures from 2002 to 2005, e.g., on environment, 1.5 days in 2003, 2.5 days in 2004, and 1.5 days for 2005 to date. The CRP is not able to ascertain whether there is adequacy of staff awareness on ADB's operational policies and procedures, including safeguard policies.

VII. Conclusions

58. The CRP views ADB's implementation of the project-specific remedial actions a significant challenge given the different stances of GOP and civil society in trying to strike a balance among their respective views of an action plan that affects all parties – ADB, GOP, and project affectees. The CRP is of also the view that there is considerable scope for improvement on ADB's implementation of the general remedial actions.

59. The CRP will continue to monitor the implementation of the Board-approved remedial actions. In particular, the CRP will monitor the following matters:

- (i) On GRSC recommendation #1(a) on compensation for all land acquisition cases, ADB Management should clarify the basis and methodology for using "average transaction price" and confirm whether this is in effect the same as the market price. The CRP is unable at this point of time to ascertain whether the two reference prices mean the same thing.
- (ii) On GRSC recommendation #1(c) on period of payment of interest, the period has now been agreed by ADB and GOP from the date of possession to the date of actual notification of payment of compensation to the affectees as delays after notification to affectees are attributable to landowners and not to the GOP. The CRP will get feedback from the project affectees it will meet in its upcoming mission on whether the notification of payment of compensation is being carried out satisfactorily.
- (iii) On GRSC recommendation #2 on identifying and compensating claims for damage to land construction, the CRP will get feedback from the project affectees it will meet in its upcoming mission on whether the 84 cases considered legitimate have been satisfactorily settled.
- (iv) On GRSC recommendation #4 on sanctioning *nakkas* for severed land, ADB Management should follow up with GOP to commence action under this recommendation.
- (v) On GRSC recommendation #5 on land and other forms of compensation to smallholders for loss of income and livelihood, including tenants, sharecroppers or leaseholders, ADB Management should verify the actual numbers of landowners with 5 acres or less and explain the non-inclusion of the category of tenants, sharecroppers or leaseholders in its response to this recommendation.
- (vi) On GRSC recommendation #8 on improving irrigation water management, ADB should engage with IPD-Punjab to ensure the adequacy of its irrigation water management improvement plan to meet the requirements under this recommendation.

- (vii) On GRSC recommendation #9 on finding means for land previously irrigated by *rodh kohi* to use canal water; GRSC recommendation #13 on improvement of flood protection bund for the 8 protected villages; and GRSC recommendation #14 on facilities on provision of water for animal and domestic use for the protected villages, ADB Management should follow up with GOP to commence action under these recommendations.
- (viii) On GRSC recommendation #12 on provision of land to the landowners located only in the flood impact zone, ADB Management should expedite the survey and follow up on the required action to provide the land to the eligible households.
- (ix) On GRSC recommendation #15, ADB Management should follow up with GOP to ensure physical completion of the work on the FCCs, including land acquisition.
- (x) On independent monitoring and evaluation, ADB Management should re-consider the most credible approach to have "monitoring and evaluation by an independent entity acceptable to all parties" rather than allowing it to be carried out in-house by WAPDA and other concerned agencies.
- (xi) On implementation of the EMP, ADB Management should follow up with GOP on the final approval of the PC-1 planning document for the implementation of the EMP under the NDSP and ensure with GOP that suitable arrangements are in place for the implementation of the EMP under the Chashma Project.
- (xii) On implementation of the HTMP, ADB Management should follow up with GOP on the finalization of the HTMP for possible ADB financing under the Chashma Project.
- (xiii) On general remedial actions, ADB Management should ensure (a) mechanisms are in place for ongoing and future large-scale irrigation projects to carry out the requirements of ADB's involuntary resettlement policy and anticorruption policy; (b) sufficient staff resources are in place to provide guidance on implementation of plans or measures under ADB's safeguard policies; and (c) there is sufficient staff awareness of ADB's operational policies and procedures.

VIII. Next steps

60. The CRP will provide a follow-up report by end December 2005 to the Board, following consultation with the BCRC. The follow-up report will include the following: (i) verification of specific matters in the action plan; and (ii) feedback from project affectees obtained in the field visit and from civil society.

/S/ Augustinus Rumansara
 Chair, Compliance Review Panel
 12 September 2005

Table of Remedial Actions Specific to the Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
(i)	<p>ADB discuss with the Government of Pakistan (GOP) 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 the Inspection Panel Report.</p> <p>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</p> <ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> • The loan closing date will be extended up to 30 Jun 2009. • The Government will implement Grievance Redress and Settlement Committee's (GRSC) recommendations as per Actions A.1 to A.16. • The scope of Environmental Management Plan (EMP) will be expanded and implemented by the Federal Environmental Management Unit (see Actions B.1 to B.5). • The loan will finance the Hill Torrent Management Plan (HTMP) to be implemented by the Province of the Punjab, subject to approval of the plan by the Government and ADB (see Actions C.1 to C.8) • Forest degradation and reduced access to fuel wood will be monitored under the EMP, and adequate measures will be proposed and implemented (see Action B.1). • The potential impacts of agro-industries will be assessed and adequate measures, if needed, will be proposed under the EMP. • Reduced grazing land will be also assessed under the EMP. GRSC's recommendation #6 and #7 intend to improve the livelihood of the landless villages (see Actions A.6 and A.7). • All new construction works will be carried out with adequate consultations and assessment of social and environmental impacts, as required. • The Government will establish an independent cell within WAPDA and the BORs 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. • The Government will establish a complaint center under Chashma Right Bank Canal (CRBC) Office, which will be announced to the people in the project area. WAPDA would nominate a committee 		<p>GOP¹</p> <ul style="list-style-type: none"> • officially requested on 7 Mar 05 for an extension of the loan closing date up to 30 Jun 2009, in order to utilize the remaining loan proceeds for the remedial actions. ADB approved the extension on 29 March 2005. • agreed in principle to implementation of (i) the 16 recommendations made by the GRSC; (ii) the expanded EMP; and (iii) the Hill Torrent Management Plan. • agreed the (i) all new construction works will be carried out with adequate consultation and assessment of social and environmental impacts, as required; (ii) and independent monitoring cell will be established within WAPDA and BOR in a transparent manner; and (iii) a complaint center will be established, and it will be announced to the public.

¹ ADB Management Report attached to memorandum from Vice President (Operations 1) to Chair, CRP of 1 August 2005, paras. 4, 6, and 7.

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; CRP = Compliance Review Panel; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
		<p>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. After the trial period is over, continuation or revision will be considered based on the performance of the mechanism.</p>		
(ii)	<p>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.</p>	<ul style="list-style-type: none"> • The loan closing date will be extended up to Jun 2009. • The scope of the EMP prepared by the Federal Environmental and Monitoring Unit (FEMU) in May 2004 will be further expanded its scope to fully cover activities recommended by BIC. • The EMP will be implemented throughout the extended 5 years (see Actions B.1 to B.5). 		<p>EMP: It was agreed with the Government that the EMP will be implemented in 2 phases, first under the National Drainage Programme (NDP) until its closure on 30 December 2006, and second by a special unit under WAPDA financed by the Project loan (project completion date of the Chashma project will be extended to 30 Jun 2009.)</p> <p>EIA (Environmental Impact Assessment): Management Response to the Inspection Panel's recommendation noted that "A full Environmental Impact Assessment will not add relevant new information at this stage of project implementation"², given the studies which underpin the Environmental Management Plan. Based on this provision, Management understands that a fresh EIA is not required.</p>
(iii)	<p>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</p>	<ul style="list-style-type: none"> • Agreement between ADB and the Government will be incorporated into an amendment of the loan agreement that reflects, extension of the loan closing date, additional project scope and applicable ADB policies and procedures as of the date of agreement on the amendment. • Timeframes are given to all proposed actions. 		<p>The Government agreed that a formal agreement between ADB and the Government will be incorporated into an amendment of the Project loan agreement that reflects extension of the loan closing date, the additional project scope, and applicable ADB policies and procedures as of the date of agreement on the amendment.</p> <p>The loan agreement will be amended once the normal Government approval is obtained for financing the activities that were not included in the original Project scope. Financing the HTMP, the EMP, and consultancy services for irrigation improvement in NWFP are from the uncommitted loan proceeds requires approval of the relevant ADB authority for utilization of surplus loan proceeds and/or a change in the project scope. Prior to</p>

² Report and Recommendation of ADB's Board Inspection Committee to the Board of Directors dated July 2004, para 28.

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report															
				seeking such approval, Management will ensure that all safeguard requirements have been met.															
I. The 1st of the 6 initiatives/processes under which the remaining problems are to be addressed – GRSC Recommendations and the follow-up actions to be implemented under the GRSC																			
GRSC 1	<p>Compensation for all land acquisition cases</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>A.1.(a) As the average transaction price can also be considered to represent the market value, this recommendation will not be pursued.</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. This recommendation will not be pursued.</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, is 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>A.1 (e) 1 Compensation and interest payment shall be completed without further delay.</p>	<p>Dec 2005</p> <p>Dec 2005</p> <p>Dec 2005</p>	<p>GRSC#1(a): Will not be pursued.</p> <p>GRSC#1(b): Will not be pursued.</p> <p>GRSC#1(c): Being complied with. The interest on land compensation for the period of delayed payment shall be paid from the date of possession to the date of actual notification to individual landowners (this is not the date announced in Gazette)</p> <p>GRSC#1(d): Being complied with. Land compensation and interest shall be paid through checks/vouchers/cash in the village of the affectees or in the nearby union council offices/open assembly.</p> <p>GRSC#1(e): Action in progress Land compensations and interest payment shall be completed by December 2005. WAPDA's monitoring cell shall report the progress on disbursement of compensation to ADB on a bi-monthly basis.</p> <table border="1"> <thead> <tr> <th></th> <th>NWFP</th> <th>Punjab</th> </tr> </thead> <tbody> <tr> <td>Total Area (acre)</td> <td>14,675</td> <td>9,820</td> </tr> <tr> <td>Awards announced</td> <td>14,300</td> <td>9,380</td> </tr> <tr> <td>Funds to be paid(Pak Rs. million)</td> <td>683.7</td> <td>537.4</td> </tr> <tr> <td>Payment made</td> <td>635.7</td> <td>410.0</td> </tr> </tbody> </table> <p>(NWFP includes Stages I and II)</p>		NWFP	Punjab	Total Area (acre)	14,675	9,820	Awards announced	14,300	9,380	Funds to be paid(Pak Rs. million)	683.7	537.4	Payment made	635.7	410.0
	NWFP	Punjab																	
Total Area (acre)	14,675	9,820																	
Awards announced	14,300	9,380																	
Funds to be paid(Pak Rs. million)	683.7	537.4																	
Payment made	635.7	410.0																	

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; CRP = Compliance Review Panel; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
	<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 given by the subordinate staff of the Land Acquisition Collector (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 there under 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) 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)4 LAA will be followed as appropriate for any undue delay.</p>	Bi-monthly	WAPDA's monitoring cell shall report the progress on disbursement of compensation to ADB on a bi-monthly basis.
GRSC 2	<p>Identify and compensate claims for damage to land during construction. The Project Director CRBC will inquire into all the claims for damage to land received by</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.	Dec 2005	Action completed. In NWFP, 688 claims received were reviewed and 84 were found legitimate and compensated. In Punjab all 740 claims were found ambiguous being without any documentary evidence, and could not be compensated. However, if new evidence is submitted such a claim will be reviewed

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
	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.	A.2.2 Additional claims received by CRBC office will be treated the same manner as those received by GRSC.	Continued	again.
GRSC 3	<p>Verification of claims and compensation for crops and trees, loss of infrastructure and dwellings, etc.</p> <p>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 & 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>	<p>Jun 2005</p> <p>Continued</p>	Action completed. All claims received were found illegitimate as verified from the original revenue record. However, if new evidence is submitted such a claim will be reviewed again.
GRSC 4	<p>Sanctioning additional nakkas (turnout) for severed land.</p> <p>Chief Engineers of the respective Irrigation Departments will take appropriate steps and announce the procedure for sanctioning additional nakkas for the severed land, as provided for in item No.3 of the Entitlement Matrix, by or before 20-12-2003.</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 received by GRSC will be treated in the same manner.</p> <p>A.4.4 Irrigation and Power Departments of NWFP and</p>	<p>Dec 2005</p>	<p>Action yet to commence.</p> <p>Irrigation and Power Department (IPD)-NWFP: ADB provided 415 claims to MOWP in early May 2005, but to date they have not been forwarded to NWFP. MOWP promised to forward them on 5 July 2005.</p> <p>IPD-Punjab: ADB provided 252 claims to MOWP in early May 2005, but to date they have not been forwarded to Punjab. MOWP promised to forward them on 5 July 2005.</p>

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; CRP = Compliance Review Panel; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
		Punjab complete the provision of nakkas for all severed land.		
GRSC 5	<p>Land and other forms of compensation for smallholders for loss of income and livelihood.</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 will forward the report to ADB.</p>	<p>25 Apr 2005</p> <p>25 Apr 2005</p> <p>25 Apr 2005</p>	<p>NWFP: Action in progress. DCO has been working on this.</p> <p>Punjab: Action in progress. Land Acquisition Collector and DCO identified 6 households eligible for this. Further survey identified that one of the 6 households actually owns more than 5 acres. Clarification of land ownership verification of other 5 households is ongoing. Once verified, either land is provided or Dera Ghazi Khan Rural Development (Loan No. 1531-PAK (SF)) will design and prepare a plan for improvement of livelihood for them.</p>
GRSC 6	<p>Formulation of domestic water sanction policy for landless communities and infrastructure installation for domestic use of canal water.</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 will be prepared and submitted 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>26 Apr 2005</p> <p>Jun 2006</p>	<p>Punjab: Action in progress. Divisional Canal Officer, CRBC Punjab carried out a survey of 100 villages and estimated the necessary water at 4 cusecs, which is available. The required water will be sanctioned on request from the concerned agency of the Local Government.</p> <p>NWFP: Action yet to be commenced. IPD-NWFP is awaiting a list of volume of water taken from canal from Works and Services Department.</p>
GRSC 7	<p>Identify programs in education, health, sanitation, agriculture, and microcredit in the project</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</p>	<p>Jun 2005</p>	<p>Action not taken yet in Punjab and NWFP.</p>

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
	transfer and main canal-distributary interface points.			
GRSC 9	Find means for land previously irrigated by rodh kohi (spate irrigation system from hill torrent flood waters) to use canal water. 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 rodh kohi. 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 chakbandis 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>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 can not 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 On Farm Water Managements (OFWM) will promptly implement the plans and report their completion to MOWP. MOWP will forward it to ADB.</p>	<p>May 2005</p> <p>Jul 2005</p> <p>Jul 2005</p> <p>Nov 2005</p>	<p>IPD-NWFP: No action has been taken yet</p> <p>IPD-Punjab: No relevant action has been taken yet</p>
GRSC 10	Workshops on operating principles of warabandi. Pending the initiation of farmer irrigation organizations on the water course and distributary levels, workshops will be	A.10 IPDs will implement as recommended.	Jun 2006	<p>NWFP: Action being prepared. 1st workshop by mid-July 2005.</p> <p>Punjab: Action being prepared. Field survey being carried out jointly by PIDA and IPD-Punjab. A workshop on the principle of regulation of the irrigation system is planned to be conducted in Tehsil Taunsa Sharif by</p>

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
		surveyed. The consultant will submit a survey report on the 439 households (323 plus 116).		
GRSC 13	<p>Improvement of flood protection bund for the 8 protected villages.</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 Ketehra 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>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 Ketehra, 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</p>	<p>Jun 2005</p> <p>Dec 2005</p> <p>Dec 2005</p>	<p>Action yet to be commenced. Owners of the surrounding land do not agree to give their land. WAPDA being helped by ADB consultant carried out a series of consultation, but they remain in disagreement. WAPDA is considering initiating notification process as per the Land Acquisition Act for the public interest. A land acquisition plan is to be prepared.</p>

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
		<p>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>Jun 2005</p> <p>Dec 2005</p>	
GRSC 14	<p>Facilities on provision of water for animal and domestic use for the protected villages. Animal watering points that draw water 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>	A.14 This will be undertaken under Action A.13.1 and A.13.2.	Dec 2005	Action yet to commence. Related to A.13.1 and A.13.2
GRSC 15	<p>Completion of remaining works on the 2 incomplete flood carrier channels (FCCs) before the onset of the next flood season. WAPDA will undertake the remaining works on incomplete FCCs before the on set of the next flood season.</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	Jun 2005	Action being suspended. WAPDA, being helped by ADB consultants, carried out consultations with concerned people. About half of the people support the extension, but the other half disagree. No action will be taken until majority of people reach a consensus.

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; CRP = Compliance Review Panel; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
	GOP <ul style="list-style-type: none"> • Confirmation of implementation of EMP approved in May 2004 under the National Drainage Sector Project till loan closing date of 31 December 2006 (extension of loan closing date is being processed by ADB) • Finalization of an extended EMP to include assessment of forest degradation and reduced access to wood; potential impact of new agro-industries; and restricted access to grazing land on previously unirrigated land 	B.2 FEMU will prepare a 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. B.3 FEMU will prepare another PC-2 document of EMP for the period 2007-2009 that will be covered by the Chashma Project, and submit to MOWP for approval. B.4 FEMU will commence implementation of the revised EMP. B.5 FEMU will submit quarterly progress reports of the expanded EMP to MOWP and ADB.	Submitted to MOWP 17 Feb 2005 Jun 2005 Apr 2005 Quarterly	
III. The 3rd of the 6 initiatives/processes under which the remaining problems are to be addressed – Hill Torrent Management Plan				
	Hill Torrent Management Plan. Follow-up work to make progress on the HTMP; and agreement between ADB and GOP <ul style="list-style-type: none"> • Submission of a draft final report • Finalization of plan with feedback from local communities 	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. 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. 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. C.4 IPD-Punjab will prepare PC-1. C.5 ECNEC will approve PC-1 C.6 ADB approval of the major change in the Project scope C.7 IPD-Punjab will establish a project office,	Submitted in Nov 2004 Held in Feb 2005 Mar 2005 Mar 2005 Jun 2005 Jun 2005 Aug 2005	Action being prepared. Feasibility study was completed in March 2005, subsequently a review of the study is ongoing.

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; CRP = Compliance Review Panel; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
		mobilize staff, recruit consultants, and start procurement. C.8 IPD-Punjab will complete the works and submit a completion report to MOWP and ADB.	Jun 2008	
IV. The 4th of the 6 initiatives/processes under which the remaining problems are to be addressed – "Forest degradation and reduced access to fuel wood"				
	Forest degradation and reduced access to fuel wood. Problems to be addressed in this area. • Inclusion of forest degradation in the expanded EMP	This will be covered in the EMP.		This is covered in EMP (see Action B)
V. The 5th of the 6 initiatives/processes under which the remaining problems are to be addressed – "Restricted access to grazing land in previously unirrigated land"				
	Restricted access to grazing land in previously unirrigated land Problems to be addressed in this area. • Inclusion of restricted access in the expanded EMP	This will be covered in the EMP.		This is covered in EMP (see Action B)
VI. The 6th of the 6 initiatives/processes under which the remaining problems are to be addressed – "Possible development of new agro-industries"				
	Possible development of new agro-industries. Problems to be addressed in this area. • Inclusion of agro-industries in the expanded EMP	This will be covered in the EMP.		This is covered in EMP (see Action B)
VII. Other measures not covered by the specific remedial actions				
	1. Reduced transportation access. To address the issue of reduced transportation access due to canals	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. 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.	Apr 2005 Dec 2005	

ADB = Asian Development Bank; BOR = Board of Revenue; CRBC = Chashma Right Bank Canal; DCO = District Coordination Officer; ECNEC = Executive Committee on the National Economic Council (ECNEC); EMP = Environmental Management Plan; FEMU = Federal Environmental and Monitoring Unit; GOP = Government of Pakistan; GRSC = Grievance Redress and Settlement Committee; HTMP = Hill Torrent Management Plan; IPD = Irrigation and Power Department; LAA = Land Acquisition Act; LAC = Land Acquisition Collector; MOWP = Ministry of Water and Power; NDP = National Drainage Program; OFWM = On Farm Water Management; PC-1 = Proforma 1 of the Planning Commission; PC-2 = Proforma 2 of the Planning Commission; PIDA = Punjab Irrigation and Drainage Authority; Project = Chashma Right Bank Irrigation Project (Stage III)

Rec. No.	Recommendations for specific remedial actions	Actions Agreed to by ADB and GOP	Due Date	ADB Management Status Report
	<p>2. Flood problem in Vehowa Nullah To address the flood problem in the area along the Vehowa Nullah that is caused by the embankment that was constructed under the IPD-Punjab's own program (outside the Project).</p> <p>3. Others, if identified.</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>	As per Action C (under HTMP)	
VIII. Project Monitoring and Evaluation				
	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>	Apr 2005 Every end-year	
IX. Grievance Redress Mechanism				
	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>	Jun 2005 Dec 2005	

Table of General Remedial Actions

Rec. No.	Recommendations for general remedial actions	Expected response	Timeframe
(iv)	With respect to ongoing and future large-scale canal irrigation projects, ADB will 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:	Provide to the Compliance Review Panel (CRP) a list of ongoing and planned irrigation projects and steps taken to ensure that appropriate, reliable, transparent and participatory mechanisms are in place	Status: ADB Management Report provided to CRP in August 2005
	a) Adequate compensation for land acquisition and for land-for-land basis, or when not possible, on cash compensation basis at levels that enable the affected households to buy land of equivalent value	Provide report to CRP on measures taken to meet the recommendation	
	b) Any issues relating to corruption	Provide report to CRP on measures taken to meet the recommendation	
	c) That the borrowing country's carrying out any resettlement in accordance with requirements under ADB's policy on involuntary resettlement	Provide report to CRP on measures taken to meet the recommendation	
(v)	ADB will ensure that:		Status: ADB Management Report provided to CRP in August 2005
	a) Sufficient resources are available to ensure a satisfactory level of support for, and monitoring of the implementation of resettlement plans, environmental management plans or other measures required under ADB's safeguard policies	Provide report to CRP on measures taken to meet the recommendation	
	b) ADB staff is aware of their duties and obligations in the formulation, processing and implementation of projects pursuant to policies and procedures	Provide report to CRP on measures taken to meet the recommendation	