ADB Accountability Mechanism
Compliance Review Panel

Supplementary Report to
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])

21 December 2005
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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
CRP  - Compliance Review Panel
EMP  - Environmental Management Plan
FCC  - flood carrier channel
HTMP  - Hill Torrent Management Plan
GOP  - Government of Pakistan
GRSC  - Grievance Redress and Settlement Committee
IPD  - Irrigation and Power Department
KfW  - Kreditanstalt fur Wiederaufbau
M&E  - monitoring and evaluation
MOWP  - Ministry of Water and Power
NGO  - nongovernment organization
NWFP  - North-West Frontier Province
PIME  - project impact monitoring and evaluation
TA  - technical assistance
SARD  - South Asia Department
TOR  - terms of reference
WAPDA  - Water and Power Development Authority

Glossary

ha  hectare
rod kohi  spate irrigation system from hill torrent flood waters

Currency

$  US dollar
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 Supplementary Report:

- the Executive Director for Pakistan on the ADB Board of Directors
- ADB staff
- the government of Pakistan; the government of Punjab province; the government of the North-West Frontier Province (NWFP); the Water and Power Development Authority; the Irrigation and Power Departments of Punjab and NWFP; and other government agencies
- affected people in the project area of the Chashma Right Bank Irrigation Project (Stage III) and
- civil society, including NGOs in and outside Pakistan.
I. Introduction

1. This is the Compliance Review Panel (CRP) Supplementary Report to its Annual Monitoring Report 2004-2005 for the Chashma Right Bank Irrigation Project (Stage III) (Chashma Project or Project) under Loan No. 1146-PAK(SF). This Supplementary Report is prepared as provided in paragraph 60 of the CRP's Annual Monitoring Report to include the following:

   (i) verification of specific matters in Asian Development Bank (ADB) Management's Action Plan to implement the remedial actions approved by ADB's Board of Directors (Board) in the Chashma inspection request; and

   (ii) feedback from project affectees from the CRP's field visit and from civil society.

2. This report also highlights the CRP's other activities and findings from its visit to the project area and discussions with government officials, project affectees and civil society, in addition to its discussions with ADB staff.

3. In accordance with paragraph 48 of the CRP Operating Procedures, the CRP forwarded on 29 November 2005 a draft report to the Board Compliance Review Committee (BCRC) for its review, followed by a revised draft on 13 December 2005. The CRP finalized this report in consultation with the BCRC.

II. Project Description

4. The Chashma Project was approved by the Board in December 1991 and covers a total cultivable command area of 135,000 hectares (ha) of arid but potentially productive land. 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. Stages I and II were financed by ADB and their operations were commissioned in January 1987 and May 1993, respectively.

5. 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.

6. 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 National Drainage Sector Project (NDSP) under Loan No. 1413-PAK(SF) to meet a $50.5 million equivalent financing gap caused by anticipated cost overruns.

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2 The CRP monitoring mission in Pakistan was from 13 to 21 November 2005, including a visit to the project area of 3½ days.
7. The borrower is GOP and 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.

8. The project progress is 99% complete. The loan closing date, originally scheduled on 30 September 2000, has been extended several times and was in March 2005 extended to 30 June 2009.3

III. Inspection Request and Board Decision

9. In November 2002, a request for the Chashma inspection was filed with the Board Inspection Committee (BIC) under the previous inspection function. The requesters4 claimed that 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 *rodkohi* farmers; design-related social and environmental problems; and lack of information sharing, consultation and participation of affected people.

10. In August 2004, the Board considered the BIC Report and Recommendation (BIC Report) on the Chashma inspection request.5 The Board in approving BIC's recommendation approved (i) the recommendation of the Inspection Panel6 and (ii) that the CRP monitor ADB's implementation of the Board decision. The BIC Report recommended to the Board that in the

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3 The extension was made for actions to be taken under the Project following the Board-approved remedial actions under the Chashma inspection request.

4 The requesters disengaged themselves in the inspection process in March 2004 when the Inspection Panel carried out its investigation in the project area. The CRP notes that the ex-requesters have also disengaged themselves from the monitoring process.


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. The CRP highlights BIC's acknowledgement of Management's need to consider in particular the following:

- **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. 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.

**IV. CRP Monitoring**

11. The CRP's terms of reference (TOR) for monitoring\(^7\) was finalized in October 2004, after a draft was posted on the CRP website inviting comments and information by interested parties, including the ex-requesters. ADB 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. From late 2004, ADB worked with GOP on a draft action plan based on the Board's decision. The GOP confirmed the Aide-Memoire of ADB's February 2005 mission containing the final draft action plan.

12. The CRP issued to the Board its Monitoring Progress Report of 17 March 2005\(^8\) after consultation with BCRC. The CRP issued to the Board its first Annual Monitoring Report of 12 September 2005\(^9\) after consultation with BCRC.

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\(^8\) 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). The CRP's first Annual Monitoring Report was required to be provided to the Board before 19 August 2005, 1 year after the Board decision on the Chashma inspection request. This was not possible due to (i) the rescheduling of the CRP's planned visit to Pakistan, including the
13. This supplementary report contains the outcome of the CRP's monitoring mission as well as the following matters raised in paragraph 59 of the CRP Annual Monitoring Report:

(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 independent monitoring and evaluation, ADB Management should reconsider 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.

(v) 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.

V. Activities and Findings

A. Meetings

14. Persons met. The CRP monitoring mission was led by the CRP Chair, Mr. Augustinus Rumansara. The CRP met with the project executing agencies and other government agencies, including the Economic Affairs Division and the Ministry of Water and Power (MOWP) at the federal level, and the Irrigation and Power Department (IPD) at the provincial levels in 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.


10 Mr. Vitus Fernando, CRP Member was in the mission, together with Mr. Suresh Nanwani, CRP Associate Secretary; Ms. Marie Antoinette Virtucio, Compliance Coordination Officer; and Ms. Zenab Alvi, a translator engaged by the CRP during the project area visit. At the CRP's request, Mr. Takashi Matsuo, ADB staff, joined the mission for 2 days (during the CRP's meetings with government officials in Lahore and the first day of its project area visit).

11 The project executing agencies are WAPDA; NWFP's Planning, Environment and Development Department; and Punjab's Planning and Development Department.
Punjab and in NWFP. The CRP also met project affectees in the project area, and Justice (Retired) Mirza in Lahore. The list of persons met is in Appendix 1.

15. **Meetings with government officials.** The CRP met with government officials at the federal and province levels. The CRP explained its monitoring task and opened up channels of communications. It clarified that (i) it was not redoing the Chashma inspection request filed and investigated under the previous Inspection Function and (ii) it had a unique mandate given by the Board to monitor ADB's implementation of the Board decision following the outcome of the investigation. It stated it was not monitoring the government's actions but instead focusing on ADB's conduct in implementing the Board decision.

16. The CRP records its appreciation to the government at federal and province levels, and to the government officials met during its field visit, for the information and hospitality provided. The CRP noted the positive feedback and assurances given by the government officials, both at federal and province levels, in carrying out the measures agreed with ADB under the Action Plan.

17. **Meetings with nongovernment organizations (NGOs).** Prior to the fielding of the monitoring mission, the CRP had numerous contacts with individuals and NGOs, including those who originally joined the inspection request and later withdrew. The CRP had made arrangements to meet them and also have their assistance to facilitate meetings with affected people in the project area. However, in this case the individuals and NGOs contacted decided to extend their boycott of ADB processes to include the CRP and its field visit. The CRP understands that this view is based upon dissatisfaction with the development and consultation processes associated with the GRSC and its recommendations, the Board's support of the GRSC, and the development of the Action Plan. The CRP considers it an important part of this process that ADB Management remains open and committed to consultation with the NGOs in Pakistan despite the current breakdown in the relationship as NGOs are important partners in achieving the social and economic goals shared by all parties.

18. **Meetings with project affectees.** CRP meetings with project affectees provided a sampling of the views of the villagers living in a command area of 135,000 ha under the Chashma Project. The meetings held provided the CRP opportunities (i) to know and understand the project area better given that the CRP's monitoring task covered the outcome of an investigation under the previous Inspection Function; and (ii) to interact with project affectees, to listen to their problems and better acquaint with them, and to visit places cited in the Action Plan. The CRP was accompanied

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12 Chair of the Grievance Redress and Settlement Committee (GRSC), which carried out its activities from May to December 2003.

13 including Mr. Mushtaq Gadi, Chashma Lok Sath; Mr. Naeem Iqbal, Sungi Development Foundation; and Mr. Shujat Ali Khan, Sustainable Development Policy Institute; Ms. Khawar Mumtaz, Shirkat Gah; and Mr. Mohammad Nauman, CREED Alliance.

14 These include Jhok Katehra and Mor Jhangi, which the CRP visited.
by an ADB staff member from South Asia Department (SARD), the operations department administering the Project, in the first day of its visit to get some familiarity with the project area, including Jhok Katehra and the incomplete Mahoi flood carrier channel (FCC). Thereafter, the CRP arranged its own itinerary on meetings with the Chashma Right Bank Canal (CRBC) Project Office in D.I. Khan, the newly-established Complaint Center, and specific villages in the project area. These villages included Churkan, Mor Jhangi, Sokar, and Lalu.

19. **Feedback from project affectees.** The project affectees met by the CRP had wide-ranging views of the Project including both benefits and problems. There was general agreement that the Project provided benefits such as (i) increased water supply for crop cultivation; (ii) increased agricultural land; and (iii) more employment opportunities. Problems faced included (i) inadequate compensation for land acquired (all expressed that the compensation should have been more than double); (ii) inadequate or lack of compensation for damage to land, crops and trees, loss of infrastructure or dwellings (Makwal Kalan villagers); (iii) lack of irrigation water (at Lalu); (iv) flooding in the tail end of watercourses (at Mor Jhangi); (v) flooding on the west side of the Chashma canal (at Sokar and Jhok Katehra); (vi) incomplete FCCs at Jat Wah and Mahoi resulting in flooding to the land of the landowners or occupants in the area between the incomplete FCC and the Indus River, as there has been no consensus on design and construction matters from the people; and (vii) the need for improvement or extension of flood protection bund and livelihood facilities such as drainage arrangement and shingled ramp (at Jhok Katehra).

![Protection bund next to Jhok Katehra](image)

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15 The CRP wishes to thank SARD for the assistance provided.
B. Application and interpretation of GRSC recommendation #1(a) on compensation for land acquisition cases

20. In paragraph 33 of the Annual Monitoring Report, the CRP stated it was unable at that point of time to ascertain whether "average transaction price" as agreed between GOP and ADB and "market value" as provided in GRSC recommendation #1(a) meant the same thing. Based on discussions with ADB staff, government officials, including the 2 Land Acquisition Collectors (LACs) in the project area who make the awards, as well as with the project affectees met, the CRP is of the view that these two terms are different.

21. The CRP understands that the "average transaction price" refers to the price determined by the district authority concerned taking into account the price of land sold within 1 year of the date of notification under Section 4 of the Land Acquisition Act 1894. The CRP understands that the "market value" is determined after considering the revenue records, sale transactions, and price trends. The CRP is of the view that the "average transaction price" is lower than the "market value" as the sale price in the revenue records is usually under-reported to avoid duties and taxes levied on the purchase price. The CRP notes that the use of the "average transaction price" is not the sole criterion for determining the "market value". The CRP has ascertained from ADB staff that (i) Punjab has applied the "market value" and NWFP's position was to use the "average transaction price"; and (ii) ADB has been informed that NWFP's position is "non-negotiable."

22. Based on the above, the CRP finds that the action agreed by ADB with GOP in using the average transaction price to represent the market value in the case of NWFP does not comply with this Board-approved GRSC recommendation which clearly articulates that the "market value" and not "the average sale price" should be used to determine the amount of compensation.

C. Application and interpretation of GRSC recommendation #1(c) on payment of interest on compensation from the date of possession to date of actual payment of compensation

23. Based on its discussions with government officials, the CRP finds that interest is being paid. The CRP also finds that there was general satisfaction with the process of notification of payment of interest from its discussion with the project affectees.

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16 This recommendation is as follows: "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."

17 One is at Taunsa, D.G. Khan and the other is at WAPDA Colony, D.I. Khan. The Executive District Officer, Planning and Finance has additional charge to carry out the Land Acquisition Collector (LAC), D.I. Khan's work as this position has been vacant for about 4 months.

18 This value is determined by the district assessment committee headed by the District Coordination Officer, Board of Revenue, which forwards the value to the Land Acquisition Collector as a basis in making awards.

19 ADB staff email of 24 November 2005.

20 This recommendation is as follows: "Interest shall be paid on the aforesaid two amounts [market value and the additional compensation premium] 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 (!) 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."
D. Application and interpretation of GRSC recommendation #1(d) on process of notification of payment of compensation

24. In paragraph 35 of the Annual Monitoring Report, the CRP stated it would get feedback from the project affectees on whether notification of payment of compensation was being carried out satisfactorily. The CRP found that the people affected were usually informed of the award by a variety of means such as post, mosque announcements, personal notification by the LAC, or word of mouth, and that the payment mode was typically effected within 1 month of announcement through vouchers and crossed checks banked at the beneficiary's bank account in the project area.

E. GRSC recommendation #2 on identifying and compensating claims for damage to land during construction and GRSC recommendation #3 on verification of claims and compensation for crops and trees, loss of infrastructure and dwellings, etc.

25. In paragraph 36 (for GRSC recommendation #2) and paragraph 37 (for GRSC recommendation #3) of the Annual Monitoring Report, the CRP noted ADB Management's status report of 1 August 2005 (ADB Management status report) that the action was completed, except for new evidence brought for claims found illegitimate and for additional claims to be received by the CRBC Office under the new Complaint Center. This information has been revised by new information in SARD's updated reports.

26. **NWFP claims:** The CRP notes in SARD's updated reports that NWFP received 688 claims for both GRSC recommendations #2 and #3 and that after investigation, 84 claims were found legitimate and compensation was paid.

27. **Punjab claims:** The CRP notes in SARD's updated report that of the 740 claims received by Punjab under both GRSC recommendations #2 and #3, notices have been issued to request supporting information. From the 740 claims, 305 claimants have responded but did not provide any documentary evidence and the remaining 435 claims will be reviewed within 3 months (by end February 2006).

28. The CRP notes the revised status in GRSC recommendations #2 and #3. The CRP also notes that in December 2005, ADB provided to GOP a technical assistance (TA) for Independent Monitoring of Remedial Actions for the Chashma Right Bank Irrigation Project, Stage III (TA No. 4718-PAK). The "TA activities will help all recommendations made by the Inspection Panel be adequately completed by the Government." The TA, with ADB financing

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21 This recommendation is as follows: "The compensation together with the interest shall be paid to affectees through cheques/Vouchers/cash in the Villages of the affectees or in the nearly union council offices, in open assembly. But prior notice to the affectees in the Villages shall be given by the subordinate staff of the LAC through beat of drums and announcements in the mosques."

22 This recommendation is as follows: "The Project Director CRBC will inquire into all the claims for damage to land received by GRSC and ensure that in all instances where earth from land has been removed, or land has otherwise been damaged and no compensation has been paid are duly compensated without any delay."

23 This recommendation is as follows: "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."


27 The TA was approved on 8 December 2005.

28 Para. 5, TA Report of TA No. 4718-PAK.
of $150,000, will commence in January 2006 and end in December 2007. The CRP suggests that ADB follow up (i) on the progress of these recommendations with the government authorities in its regular supervision missions and (ii) through the consultants under TA No. 4718-PAK to confirm that NWFP's 84 cases have been satisfactorily settled and Punjab's 740 claims have been satisfactorily settled or disposed.

F. TA for independent monitoring of remedial actions for the Chashma Project

29. On TA No. 4718-PAK, referred to in the previous paragraph, the CRP is of the view that ADB engage with NGOs in Pakistan to elicit their feedback on the TA, notwithstanding the disengagement of several NGOs. It is important that Management continues to adopt a participatory approach in its operations by being open and committed to consultation with them despite the current breakdown. The CRP suggests that ADB give the NGOs in Pakistan another opportunity to provide inputs on the TA. The CRP also notes that in order to "maintain the independent position of the consultants, ADB and the Government will not guide or restrict the consultants' work except for reviewing their fulfillment of the terms of reference." The CRP suggests that ADB supervises the consultants' work. The CRP also suggests that ADB (i) appropriately frame the consultants' TOR to also cover all the GRSC recommendations and (ii) consider the establishment of a computerized list of claimants under the GRSC recommendations with the status of their claims.

G. Monitoring and evaluation (M&E) by an independent entity acceptable to all parties

30. As stated in paragraph 44 of its Annual Monitoring Report, the CRP is of the view of that the M&E 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. As stated in paragraph 46 of its Annual Monitoring Report, 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.

31. In late 2004, ADB 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. In February 2005, ADB 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 by April 2005. The CRP notes that ADB and GOP are still pursuing this arrangement and ADB has agreed to the nomination of the head of this independent cell. The CRP also notes that no concrete proposal has been provided by GOP. The CRP reiterates that this in-house institutional arrangement does not comply with the requirement of "monitoring and evaluation by an independent entity acceptable to all parties" as articulated in the Inspection Panel's Recommendation and advises Management to reconsider suitable

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29 Para. 6 of TA Report of TA No. 4718-PAK.
30 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.
arrangements to ensure compliance with the Board-approved remedial actions. The CRP notes that ADB’s provision in December 2005 of TA 4718-PAK for independent monitoring of remedial actions for the Chashma Project may go in some way to establish a credible approach to have "monitoring and evaluation by an independent entity acceptable to all parties".33

H. Implementation of the Hill Torrent Management Plan (HTMP)

32. Further to paragraph 49 of the Annual Monitoring Report, the CRP notes that there has been progress in the implementation of the HTMP. In December 2005, ADB provided a TA to Punjab for Additional Works for Preparation of Hill Torrents Management Project (TA No. 4719-PAK).34 The TA will help Punjab complete the design of the proposed hill torrents management project for the 3 hill torrents in the project area (Sanghar, Vehowa, and Kaura). The TA, with ADB financing of $150,000, will commence in January 2006 and end in April 2007.

I. Establishment of a New Complaint Center

33. The CRP notes that the new Complaint Center established by WAPDA is not covered by the Board-approved remedial actions, but is an initiative of GOP and ADB under the action plan to provide a suitable means of redress for grievants under the Chashma Project. In paragraph 50 of the Annual Monitoring Report, the CRP stated it would review the effectiveness of this center.

34. The CRP was informed by WAPDA that the new Complaint Center established in WAPDA Colony in D.I. Khan would do everything possible to address complaints related to land, trees, and crops under the Chashma Project as well as under the earlier Stage I and Stage II projects. The CRP applauds the initiatives taken by WAPDA to expand the coverage of the complaints beyond the Chashma Project (which is on Stage III). In the CRP’s meetings with the project affectees, the government officials concerned informed the project affectees met by the CRP to address their complaints with the Complaint Center pursuant to the public notice recently announced.35 The CRP found that most of the project affectees met did not know of the center and that few knew of it through word of mouth or reading an announcement in a local newspaper.

35. The CRP notes that the Complaint Center received 45 additional complaints mainly under GRSC recommendations #2 and #3, 6 in NWFP and 39 in Punjab.36 Of the 45 complaints received as of 19 November 2005, the CRP was informed by WAPDA that 4 relate to the earlier Stage II project (with none from the earlier Stage I project) and that 2 have been solved. The CRP understands that the Complaint Center is on a 6-month trial basis which ends in December 2005. The CRP suggests that ADB discuss with GOP on extending the trial period given the nascent establishment of the center and the likelihood of increased complaints. The CRP suggests that Management provides other suitable measures, including enhanced dissemination of the public notice through the consultant’s activities under the TA for independent monitoring of remedial actions for the Chashma Project, together with a clear statement that the 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 public

33 Inspection Panel’s recommendation (i) approved by the Board.
34 The TA was approved on 8 December 2005.
35 Public Notice issued by the Superintendent, CRBC Project, WAPDA, D.I. Khan (undated). Appendix 2 has the original notice in Urdu and the English translation.
notice states that the claims will be handled according to the prevailing rules and regulations and this does not give adequate guidance to them on their entitlements.

VI. Conclusions

36. The CRP confirms its views that ADB's implementation of the project-specific remedial actions continues to pose 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. This in turn impacts on the CRP’s functions in effectively discharging its monitoring task.

37. While recognizing the divergent positions of the different stakeholders (ADB, GOP, project affectees, and interested NGOs and civil society), the CRP will continue to be inclusive in engaging all parties in carrying out its activities.

38. The CRP notes that after Management has agreed with GOP on the Action Plan to implement the Board-approved remedial actions, there has been progress in the implementation.37 One significant development in the implementation is the establishment of the new Complaint Center to positively respond to the new claims and complaints of the affected people.

39. The CRP is concerned that the broader issues on the composition and process in the GRSC’s operations raised by the ex-requesters and civil society, including NGOs, will remain and impact on their willingness to engage with ADB and CRP in the monitoring process. ADB needs to address the fundamental question of effective and sustained participation with civil society on its activities to ensure effective operations.

40. The CRP is aware that there are competing interests among the project-affected people38 and that their differences need to be resolved in fashioning solutions to their problems. Constructive consultation and participation with stakeholders stands out as a key feature in

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37 including the resolution of the re-routing of the 2 watercourses at the tail end of the distributary at Mor Jhangi under GRSC recommendation #16 and the TA for Independent Monitoring of Remedial Actions for the Chashma Right Bank Irrigation Project, Stage III (TA No. 4718-PAK).

38 For example, in the incomplete Mahoi and Jat Wah FCCs, there is disagreement among people affected, by those whose land are on the way of the incomplete FCCs to the Indus River and by those whose land are by the side of the incomplete FCCs and await their construction.
getting their support to ADB-financed activity and ADB’s experiences in implementing the Board-approved remedial actions provide an example of how ADB can improve its development effectiveness and project quality.

41. The CRP will continue to monitor the implementation of the Board-approved remedial actions.

VII. Next steps

42. The CRP will provide to the Board before 19 August 2006 its second Annual Monitoring Report, following consultation with the BCRC.

/S/ Augustinus Rumansara
Chair, Compliance Review Panel
21 December 2005
List of Persons Met

Meeting with Ministry of Water and Power (MOWP)
1. Mr. Riaz Ahmad Khan, Advisor, MOWP
2. Mr. Zarar Aslan, Joint Secretary, MOWP
3. Mr. J.R. Toosy, Superintending Engineer, Derajat Canal Circle, D.G. Khan, Irrigation & Power Department (IPD), Punjab
4. Brig. (Retd.) Mushtaq Ahmed, General Manager (Projects) North, WAPDA
5. Mr. Haq Mali Khan Mahsud, Superintending Engineer, Chashma Right Bank Canal (CRBC) Project, WAPDA, D.I. Khan
6. Mr. Ch. Kuramat Ali, Chief (Physical Planning & Housing), Water & Power, Planning & Development Board, Punjab
7. Mr. M. Ahmad Pirzada, Land Acquisition Collector, Taunsa, Punjab

Meeting with Economic Affairs Division (EAD)
1. Ms. Najma Siddiqi, Joint Secretary for ADB and Japan, EAD
2. Mr. Hamad Shamimi, Deputy Secretary, EAD
3. Ms. Nasheeta Mohsin, Section Officer, ADB Desk Officer, EAD

Meeting with Planning, Environment and Development (P&D) Department, North West Frontier Province (NWFP)
1. Mr. Mir Laq Shah, Additional Chief Secretary, Development
2. Mr. Syed Khalid Gilani, Secretary, Irrigation and Power Department (IPD), NWFP
3. Mr. Mohammad Bashir Khan, Deputy Secretary (Development), Finance Department
4. Mr. Usman Gul, Chief Foreign Aid, P&D Dept
5. Mr. Masud-Ur-Rehman Khan, Deputy District Officer, Water and Sanitation Division
6. Mr. Muhammad Aslam Khan, Chief Engineer, Public Health and Engineering Department (PHED)
7. Mr. Khalid Mumtaz Khan, Research Office, Foreign Aid, P&D Dept
8. Mr. Fazal-e-Rabbi, Deputy Director, On Farm Water Management (OFWM), Agriculture Dept
9. Mr. Hassan M. Yousufzai, Chief Economist, P&D Dept
10. Mr. Aftab Akbar Durrani, Chief, Green Sector, P&D Dept
11. Mr. Hashmat Ullah Awan, Advisor, Water, P&D Dept
12. Mr. Abid Noor Afridi, Technical Officer, P&D Dept
13. Mr. Muhammad Alam, Chashma Bank (O and M), IPD, NWFP
14. Mr. Sheik Abdul Jalil, Executive Engineer, CRBC, D.I. Khan

Meeting with Irrigation and Power Department, NWFP
Mr. Syed Khalid Gilani, Secretary, IPD

Meeting with Planning and Development Board (P&D) and Irrigation and Power Department (IPD), Punjab
1. Mr. Rizwah Bashir Khan, Secretary, P&D
2. Mr. Muhammad Abid Bodla, Member Engineering, P&D
3. Mr. Arif Nadeem, Secretary, IPD
4. Mr. Nasim Riaz, Senior Chief, Economic Capital Assistance (ECA), P&D
5. Mr. Natiq Hussain, Chief, P and E, Agriculture Department
6. Mr. Mushtaq Ahmad Gill, Director General (OFWM), Agriculture Department
7. Mr. Wasif Sultan Ali Khan, Chief (Water), P&D
8. Mr. Ch. Kuramat Ali, Chief, Physical Planning and Housing (Water and Power), P&D
9. Mr. Afzal Shah, PD D.G. Khan RDP on behalf of District Coordination Officer, D.G. Khan
10. Mr. J.R. Toosy, Superintending Engineer, Derajat Canal Circle, CRBC, D.G. Khan
11. Mr. Asrar-ul-Haq, Additional Secretary (Technical), IPD
12. Mr. M. Shahood Azhar, Executive Engineer, PHE, D.G. Khan
13. Mr. Javed Ahmad Majid, Chief Engineer (South) PHED on behalf of Secretary, HOD & PHED
14. Mr. Faqir Muhammad Javed, Secretary, BOR
15. Mr. Abdus Samad Afridi, Chief Engineer/PD (CPC) CRBC
16. Mr. Haq Mali Khan Mahsud, Superintending Engineer, CRBC Project, WAPDA, D.I. Khan

Meeting with Water and Power Development Authority
Brig. (Retd.) Mushtaq Ahmed, General Manager (Projects North)

Meeting with Justice (Retired) Mohammad Aqil Mirza (Chair, Grievance Redress and Settlement Committee which operated from May to December 2003)

Other government officials met in the project area
1. Mr. Muhammad Asghar Dogar, Executive Engineer, CRBC Taunsa
2. Mr. Mohammad Sharif Shah, Subdivisional Officer, CRBC Taunsa
3. Mr. Saddar Anwar Masood, Executive District Officer, Planning and Finance, WAPDA, D.I. Khan (duties also cover work of Land Acquisition Collector, D.I. Khan)
4. Mr. Abdul Majid, Subengineer, CRBC Irrigation, Taunsa
5. Mr. Muhammad Naeem Marwat, Senior Engineer, (WAPDA), Head, Complaint Center, WAPDA, D.I. Khan
6. Mr. Muhammad Walaqat Shakir, Junior Engineer, Member, Complaint Center, WAPDA, D.I. Khan
7. Mr. Muhammad Shafiq, Junior Engineer, Member, Complaint Center, WAPDA, D.I. Khan
8. Mr. Syed Ifthikar Ali Shah, Surveyor, Complaint Center, WAPDA
10. Mr. Saifullah, Subdivisional Officer, WAPDA, D.G. Khan
11. Mr. Tariq Ketraan, Subdistrict Administrator, Taunsa

Project-affected people met
1. Mr. Muhammad Anwar, Jat Wah
2. Mr. Ghulam Sarwar Khan, Jat Wah
3. Mr. Ghulam Haider, Makwal Kalan
4. Mr. Atta Ullah Khan, Makwal Kalan
5. Mr. Sheikh Fateh Muhammad, Basti Sheikh Ismail
6. Mr. Muhammad Ashraf Awan, Jaluwali
7. Mr. Dilshad Ahmed, Tibbi Qaisrani
8. Mr. Abdul Razzaq, Jhok Katehra
9. Mr. Saeed Ahmed, Mazo Pehar
10. Mr. Haq Nawaz, Mazo Pehar
11. Mr. Abdul Sattar, Moza Choni
12. Mr. Muhammad Bilal, Basti Choni
13. Mr. Ehsan Ullah, Basti Choni
14. Mr. Allah Wasaya, Basti Choni
15. Mr. Ghulam Hussain, Basti Choni
16. Mr. Riaz Hussain, Basti Choni
17. Mr. Musa Khan Cholai, Moza Cholai
18. Mr. Muhammad Baksh, Chak Kandiawala
19. Mr. Muhammad Rafiq Suryani, Chak Kandiawala
20. Mr. Abdul Majeed Suryani, Chak Suryani
21. Mr. Saad Ullah Khan, Chak Kandiawala
22. Mr. Safdar Ali, Moza Ahmali
23. Mr. Haq Nawaz, Mauza Jangrah
24. Mr. Muhammad Nawaz, Taunsa Sharif
25. Mr. Muhammad Abdullah, Sokar
26. Mr. Haji Aman Ullah, Shameer (Stage II Project)
27. Mr. Malik Mushtaq Ahmed, Rungpur Janubi (Stage II Project)
28. Mr. Muhammad Arshad, Parwa
29. Mr. Qadir Baksh, Parwa
30. Mr. Munir Ahmed, Parwa
31. Mr. Shakir Iqbal, Churkan
32. Mr. Muhammad Buksh, Churkan
33. Mr. Sabir Hussain, Churkan
34. Mr. Ehsan Ullah, Churkan
35. Mr. Muhammad Imran, Churkan
36. Mr. Hafeez Ullah, Churkan
37. Mr. Altaf Hussain, Churkan
38. Mr. Maqsood Rasool, Mor Jhangi
39. Mr. Saeedullah, Mor Jhangi
40. Mr. Haji Allah Baksh, Mor Jhangi
41. Mr. Zafar Iqbal, Mor Jhangi
42. Mr. Aziz Ahmed Khan, Mor Jhangi
43. Mr. Akram Mulghani, Sokar
44. Mr. Rafi Asif, Lalu
45. Mr. Muhammad Suleiman, Lalu
46. Mr. Ghulam Rasool, Lalu
Public Notice of New Complaint Center

(in Urdu)
Public Notice of New Complaint Center

(translated in English by the Compliance Review Panel's translator)

Public Notice [undated]

Everyone is informed that, in order to solve the problems of those affected by the Chashma Right Bank Canal, WAPDA has established a complaint center. The office of this center is located in CRBC WAPDA Staff Colony, D.I. Khan.

Those affected by the CRBC are requested to submit any complaints or applications about their land, trees, and crops through the Superintending Engineer, Circle No. 1 CRBC, WAPDA. The committee set up by WAPDA will take up these applications according to the prevailing rules and regulations and will do every thing possible to address these complaints.

The applicants are requested to state their name, address and the nature of the problem clearly so that it is easier for the committee to reach a decision.

From: Superintending Engineer, Circle No. 1 CBRC Project, WAPDA, D.I. Khan.