CHASHMA INSPECTION REQUEST

FIELD WITH THE BOARD INSPECTION COMMITTEE

UNDER

THE INSPECTION PROCEDURES

OF

ASIAN DEVELOPMENT BANK

November 19, 2002
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CHASHMA Inspection Request

CHASHMA INSPECTION REQUEST

I. INTRODUCTION

1. The Chashma Inspection Request provides (i) an assessment of the response of the ADB Management to our initial complaint on the CRBIP Stage III, and elaboration of the reasons and points of dissatisfaction with the management response; (ii) background and brief history of the CRBIP design preparation and implementation process; (iii) concerns of the Chashma affectees along with the detailed description of particular incidents and points of noncompliance with relevant policies and procedures; and (iv) demands and conclusion.

II. ASSESSMENT OF THE MANAGEMENT RESPONSE

A. Grievance Redress and Settlement Committee: inadequate and irrelevant step with regard to inspection process

2. Management response to our initial complaint is based upon two rejoinders. First, the Management acknowledges its obligation to ensuring that the applicable procedures and policies are implemented in full under the project. Nonetheless, Management disagreed with the assertions of noncompliance with relevant policies and procedures that were raised and elaborated in our initial complaint. Management claimed that it has in compliance with all applicable procedures and policies in full under the project. Second, Management acknowledges that the issues concerning land acquisition, resettlement, compensation and rehabilitation still remain unresolved. It further mentions that, in recognition of the need to resolve these issues in a timely and decisive manner, the Bank staff has been working closely with the executing agencies (EAs) to establish Grievance Redress and Settlement Committee (GRSC) to work in the project and non-command areas.

3. The claimants had asked for a time bound action plan and implementation based upon participatory and consultative process and yet Management’s proposed response to the claim, in the form of these grievances’ redress processes, has not been participatory or consultative, nor is there any time bound plan for dealing with the problems and undertaking the studies that would be necessary to have a complete understanding of the scope of problems. Rather, in a meeting between ADB and EAs held on November 4, 2002, WAPDA refused to accept that Bank’s policies on resettlement and indigenous peoples are applied in this project. WAPDA have also refused to accept the inclusion of NGOs and independent legal expert in

1 Filed with the Board Inspection Committee (BIC) on November 19, 2002, under the Inspection Procedure of the Asian Development Bank, as complaint of substantial and material harm caused to people and communities in and around the Chashma Right Bank Irrigation Project (CRBIP) Stage III due to failure of full and timely compliance of Bank Management with Bank Policies and Guidelines.
the GRSC. It was also decided in the meeting that the GRSC would have no implementation power.

4. Overall, the GRSC is an inadequate and unrealistic response to the problems of the affectees as articulated in the Complaint Letter. The "Functions" outlined for the Committee seems more suitable for a Project NGO, which starts work before a Project is started and works till it is completed. Theses functions especially function 11 are not of the nature that can be accomplished in a 3-month term. Most of the activities designated for the Committee are of the sort that should have been carried out at the outset of the Project. For example, confirming data on population, villages, and topography, etc. It is shocked to read that preparation of a population record of the total population is entrusted to the GRSC! This is a basic pre-project preparation task. The TORs of GRSC itself confirms how ADB policies have been violated. This is also one of the primary pieces of evidence to submit to the Inspection Panel.

5. Significant substantial material harm and damages have already been imposed on the affected communities. Some of the damages even appear to be irreversible and irreparable in the context of livelihood choices and opportunities. For example, project induced changes in the natural hydrology of flood flows of hill-torrents affecting the existing historical and legal water rights of local communities cannot be fully reversed and redresses. Similarly, there seems no way to undo the project-induced demographic imbalances to the disadvantage of Siraiki ethnic minority in NWFP. There are numerous other examples of material damages imposed on local communities due to the fact of noncompliance with relevant Bank policies and procedures.

6. The project was formally started in 1992 and supposed to be completed at end of 1999. However, the project experienced significant delay and will be now completed in December 2002. Management's response to the claim still fail to ensure the preparation of resettlement and rehabilitation plans for twenty-two villages affected by project-induced flooding in the adjacent western non-command area; establishment of appropriate legal and institutional framework for the just resolution of pending land and asset compensation issues in full compliance with the relevant policies and procedures. In addition, the Bank has failed to ensure the implementation of the environmental management plan that was prepared without consultation and inputs of local communities and supportive civil society organizations. While the project is very close to completion, almost all outstanding social and environmental problems are not resolved and Management has not provided a time-bound action plan for dealing with these problems.

7. The affected people facing the threat of project-induced flooding and involuntary resettlement belong to the adjacent western non-command area of the project. For them, involuntary resettlement is not the only vulnerability and aspects of victimization. They feel strongly deprived due to being living adjacent to the new canal but exclude from its promised benefits. They have also been deprived from using rowed-kohi (hill-torrents) irrigation system due to upstream diversions under the
project. Furthermore, they are major victim of land acquisition for construction of the main canal.

8. The people living in the eastern riverine belt are also excluded from the canal command area. Affected communities in this area are, however, facing the problem of a variety of project-induced flooding. Villages like Makwal Kalan are faced with the increased risk of flooding due to the disposal of floodwater coming down to the Indus River as a result of the project. Flood carrier channels (FCCs) are not extended up to the Indus River and floodwaters openly enter into the area thereby causing serious damages to the cotton crop. Physical mobility has also become a serious problem in the monsoon season because of the FCCs. Other villages such as Chandia Wali are being flooded because of the open and unrestricted drainage of surplus canal water. They have historically had access to water from the Masu Waha inundation canal, but as a result of the project they are cut off from this important resource. Masu Waha inundation canal is cut-up and disrupted due to the FCCs under the project, constructed for the cross-drainage of floodwater to the Indus River. It is relevant to mention here that the affected people in this belt are already vulnerable to the massive annual flooding and increased bank erosion of the mighty Indus River. Most of the affected people in this belt are either small farmers or tenants.

9. Third category of affected people belongs to the canal command area. A vast majority living in the command area lost lands to the project. Approximately Twenty thousand acres of land was approximately acquired for the project. This amounts more than 70 percent of total land acquired for the project. Massive construction of flood carrier channels and minor canals is the main cause for land acquisition and displacement. This area is also seriously affected because of the stoppage of available floodwater during the construction period. Not a single affected person in Punjab province was compensated for land acquisition until two months ago. The process of land acquisition has been totally in violation of national laws and procedures and the failure to compensate people for losses suffered as a result of the project is in violation of ADB policies.

10. Socially and economically vulnerable groups such as Siraiki ethnic minority living in NWFP, Baloch tribal groups, small farmers and tenants, and women are clear victims of the project interventions. They are facing a range of problems including displacement, threat of in-migration, constrained physical and social mobility, lack of compensation. In fact, there is a significant overlap of adverse impacts on same groups. Lack of independent and comprehensive socioeconomic and cultural surveys and social and environmental impact assessment in violation of the Bank’s policies on Involuntary Resettlement, Indigenous Peoples, Incorporation of Social Dimensions in Bank Operations and Benefit Monitoring and Evaluation has resulted in distorted and incomplete understanding of the people affected and the range of problems they face. Majority of them is already vulnerable and have little capacity and resources to cope with the project-imposed sudden and abrupt changes. Management’s response fails to recognize these disproportionate impacts on vulnerable groups or to propose measures that will rectify the problems and meet their needs and interests.
ADB’s Guidelines for Social Analysis for Development Projects, which were in force at the time of the initial project financing, states that:

“Because households disruptions has a profound and disproportionate effects on women, specific measures (e.g., female interviewers, formation of women settler’s associations) must be taken to ensure that they are fully consulted and involved in resettlement plans.” These steps have not been taken in the CRBIP Stage III project, and as result women have been marginalized by and lack a voice in development decision-making that has had a profoundly negative impact on their lives and their future.

Furthermore, with respect to indigenous peoples and ethnic minorities, the Bank’s Management has accepted the standards of ILO Convention 169, and in Appendix 6 of the Guidelines for Social Analysis, has specifically called for careful scrutiny of projects “ which may abruptly transplant elements of dominant or modern culture into the midst of a relatively undisturbed traditional culture” (Para. 10). The ADB has an obligation to take steps to evaluate, avoid, and mitigate the impacts that the incoming population will have on the ethnic minorities in the project area, particularly those that are already suffering displacement under the project.

For all people affected by an ADB-financed project, the policy requires that in terms of compensation:

The project is responsible for full compensation to all those affected (not just legal land owners). The nature of compensation should reflect the type of loss, thus a farmer should receive equivalent land, a landless laborer should be given alternative employment, etc. All, however, must be given access to adequate housing and social services and have all relocation/reconstruction costs met... in particular, it should provide an assured livelihood in the new situation.

This provision has not been complied with.

11. For the last two and half years, we have been engaged with Management to resolve the issues of involuntary resettlement, land acquisition, environmental degradation, compensation and rehabilitation. We had even agreed to take part in the Chashma Stakeholder Dialogue held in the first quarter of 2002. We fully cooperated with the ADB consultants visiting the area and preparing draft discussion paper for the stakeholder dialogue. We arranged their meetings with the affected people and provided our inputs for the draft workshop discussion paper. However, the dialogue failed in persuading WAPDA and Bank staff to acknowledge involuntary resettlement and just land compensation as major problems and make commitment for the preparation of comprehensive resettlement and rehabilitation plans. Our experiences of engagements proved disappointing resulting into the erosion of confidence in intentions and capability of Management and EAs for solution of problems facing the affected communities. Rather, some of the Bank engagements with the affected
people and allied civil society organizations appear beyond the usual civil practices. For example, Mr. Kats Matsunami from the Pakistan Resident Mission told us during our initial meetings that Bank policy on involuntary resettlement could not be applied to this project. Interestingly, at the same time, the Bank was working with the consultants to finalize the social survey and action plan according to the guidelines of involuntary resettlement policy. Similarly, Bank consultants refused to provide us the detailed report on Chashma Stakeholders Workshop and thus avoided fair documentation of the views of all stakeholders in the process of consultation and dialogue\(^2\). An engagement that started with trusts and hope turned into mistrust and despair within a very short period of time. A recent example in this regard is the inability of Management to persuade the government and EAs for the release of relevant documents and Terms of Reference (TORs) for the GRSC. Information sharing, consultation and participation in decision-making are important prerequisites of an enabling environment for stakeholder dialogue. When the affected people are not allowed to have full access to relevant project documents and information of the scope, mandate, powers, and functions of the proposed GRSC, they can hardly be expected to trust the Bank and EAs.

**B. Nature and incidence of noncompliance in the case of CRBIP**

12. Compliance is a largely legal concept and the criteria for making judgment on the issues of compliance should therefore include legal aspects and indicators. Legally speaking, governments are sovereign and not bound to pursue and comply with the Bank applicable policies and procedures unless the implementation of relevant policies and particularly social safeguard measures are provided and protected through project agreement and reflected in project costs and estimates. Given the differences in policies and procedures of the Bank and member countries, the only important legal and functional indicator for the assessment of the compliance is whether the relevant policies and procedure are integral part of loan agreement and full social and environmental costs are included in the project budget or not. This is particularly true with regard to those policies and procedure such as resettlement, environment, and indigenous peoples, etc. that the government are responsible to plan and implement. The failure in ensuring the inclusion of the Bank’s applicable policies and procedures in loan agreement and guarantee agreement and inability or ignorance in making the full social and environmental costs being the part of project cost estimates and budgets thus must be considered noncompliance. Mere identification of adverse social, cultural and environmental problems, recommendations of review and special missions, pressures and influencing techniques can not replace the importance of legally binding agreements in the area of compliance. The current emphasis on problem solving and flexible approach in the inspection review process can be beneficial to the Bank and member countries as powerful stakeholders but affected people stand to loose if their rights and entitlements are not explicitly recognized and respected through legally binding agreement. Our past experiences of engagement and participation in the Chashma Stakeholder Dialogue is an ample proof how the voices of powerless and

\(^{2}\) Email records of our correspondence with the Bank staff and consultants are attached.
disadvantaged stakeholders remain uncounted in the process of multi-stakeholders’ dialogue and bargaining.

13. We would like to highlight here four major serious incidents of non-compliance with applicable policies and procedures in the course of design preparation and implementation process. First serious noncompliance was committed at the design preparation and planning stage when independent social survey and environmental assessment were not undertaken. Even though the appraisal document identifies serious problems concerning with the potential impacts of project induced flooding including risks such as loss of life, livelihood, etc., The survey on project induced flooding was initiated in 1994. Thus, Management failed to identify the full adverse impacts of flooding leading to the displacement of more than twenty-two villages later on. As a result, the first loan agreement did not include the implementation of relevant resettlement guidelines applicable at the time of project approval. Though Management claims that important social safeguard policies such as resettlement were not yet approved and therefore the issue of compliance with these policies was not in the scope, but there were many relevant applicable guidelines such as the Incorporation of Social Dimensions in Bank Operations and Environmental Consideration in Bank Operations that were applicable to this project and yet were violated, these policies are design to protect the rights and entitlements of affected people at the stage of project design preparation and planning.

14. A second incident of serious noncompliance occurred when Management failed to make it binding upon NWFP government to undertake and implement social survey and prepare resettlement action plan for Hafiz Abad, Maru and Jhangi Sharqi which are flood affected villages in the province. The Special Loan Administration Mission visiting the project area in November 1999 noted that the Bank required a social survey and noncompliance would lead to reconsider NWFP component of the project but Management later on agreed to exclude these villages from the Terms of Reference (TORs) for the social survey. Thus the affectees of villages were denied the right of consultation and participation in decisions about mitigation measures.

15. A third incident of noncompliance at the time of supplementary financing in 1999 is very serious and have far reaching implications. This was a real opportunity available to Management to ensure the compliance with not only the supplementary financing policy itself but also the compliance with other applicable social safeguard policies and procedures. Full reappraisal of the project including technical, social, environmental, institutional and legal aspects would have enabled the Bank to ask the government to prepare an adequate resettlement plan and fair land compensation as part of the revised project costs in the CRBIP supplementary loan agreement. However, the Bank approved the loan without undertaking the full reappraisal of the project and thus the real opportunity to take correct measures and ensuring the full compliance with applicable policies was lost. Most surprisingly, Management was fully aware of its failure in identifying resettlement aspects of the project at the project design preparation and planning stage and persuading the government to undertake independent social survey in the affected villages in
accordance with resettlement policy guidelines. It is also relevant to mention here that the report on social survey and resettlement action plan for the affected villages was supposed to be prepared much before the decision on supplementary financing. However, the report was mysteriously delayed for three years for reasons that remain unknown. However, this three-year delay adversely impacted the decision-making patterns and hence adequate resettlement and fair land compensation could not become a part of supplementary loan agreement. Subsequent attempts of compliance with applicable policies and procedures is merely limited to futile recommendations, hiring costly consultants and initiating so-called dialogue with the affected people and allied NGOs that without resulting in resettlement and rehabilitation plans.

16. A fourth incident of major noncompliance happened last year when the preferred option of resettlement in the safe eastern side of the project area was totally dropped in June 2001. The first independent social survey and resettlement action plan was prepared in March 2001. The survey and action plan was prepared according to the Guidelines for the Incorporation of Social Dimensions in the Bank Operations and Resettlement Policy. As has already been mentioned two villages in NWFP were already deleted from the TORs of social survey and action plan. Eleven out of twelve villages in Punjab Province opted for the given option of resettlement in the irrigated areas. The opinion in the lone exception village, which opted for the option of protection bund, was also reported to be divided. However, the preferred option was totally disregarded in the following supplementary report in May 2001. The consultants were asked by the Member Water, WAPDA to work out the plan for flood protection bunds or relocation of affected villages to higher grounds in the west side of the main canal. Strangely, in the very next month, the staff and consultants of WAPDA intimated the Bank that the affected people were now ready to accept cash compensation and there was no need at all to prepare the resettlement plan. Thus the option of resettlement was buried forever and consensus was made between the Bank and WAPDA to pay nominal cash compensation for only building structures. In rest of the ten villages, it was not even thought adequate to conduct independent social survey and WAPDA was left to negotiate with the affectees in its own arrogant and uncaring ways.

17. It is relevant to mention here that Management has never seriously raised with the government the issue of the obvious and undeniable violations of national laws for land acquisition and compensation including the substantial delay in announcing awards. Even Management does not still have reliable and independent data with regard to total acquired land, number and categories of affectees in the command area and extent of livelihood disruptions and restoration strategies. An independent social survey in the command area was never undertaken at any stage of the project preparation and implementation stage wherein most of the land was acquired for even otherwise flawed flood carrier channels and minor canals. Management is also not fully aware of the adverse impacts of flooding in the riverine belt. The Bank has never suggested mitigation measures for the affected riverine belt.
These were the issues that affected people themselves and NGOs raised during the Chashma Stakeholders Dialogue held in March.

18. Apparently as an attempt for compliance with resettlement policies and procedures, an independent social survey in twelve villages was initiated. But this ended up in further noncompliance with the Bank policy on resettlement. The initiative did not follow the preparation of resettlement and rehabilitation plans. During this period, Management continued to identify gaps and flaws with regard to the implementation of applicable policies and procedures but without any resulting concrete time bound actions based on independent and free consultation with the affected people. There were many opportunities available to Management to promptly comply with applicable policies and procedures. Such opportunities were repeatedly lost and the government is allegedly now not prepared to cooperate with the Bank or affectees this regard.

III. CRBIP: BACKGROUND AND BRIEF HISTORY OF DESIGN PREPARATION AND IMPLEMENTATION PROCESS

19. The Chashma Right Bank Irrigation Project (CRBIP) is an extensive irrigation project in Pakistan that involves the construction of a 274 km canal along the Indus River, and the construction of 72 distribution canals, 68 cross structures and 91 bridges. The main canal off-taking from the Indus River is a contour channel irrigating areas only on its left side. It is an inter-provincial irrigation project and physically located in two districts of Pakistan: Dera Ismail Khan (D.I. Khan) in North-West Frontier Province (NWFP) and Dera Ghazi Khan (D.G. Khan) in Punjab Province. The first two stages have already been completed and irrigate the lands of D.I. Khan.

20. The current third stage of the CRBIP, which is under implementation, will irrigate the lands of both D.I.Khan and D.G.Khan districts. The Chashma Right Bank Canal (CRBC) was initially planned to provide perennial irrigation to command a cultural area 570,000 acres, which include 350,000 acres in NWFP Province, and 220,000 acres in Punjab Province. Later on, the cultivable command area increased to 606,000 acres following the decision of shifting the alignment of main canal further uphill to the west.

21. The CRBIP design preparation and implementation history is marred with significant disruptions, substantial delays and partly failure. West Pakistan Power and Irrigation Department conducted initial project investigations in 1960s and assessed the possibility and scope for providing perennial irrigation supplies to the area lying above the command of existing inundation canals and beyond the reach of perennial Zams (hill-torrents) emerging from the Sulaiman range into the plain of the Dera Ismail Khan and Dera Ghazi Khan district. The option of bringing a canal on the right bank of the Indus River from Kalabagh head works was considered. The further work on preparation of detailed feasibility report was entrusted to Water and Power Development Authority (WAPDA) in late 1960. Meanwhile, the construction of a
barrage on the Indus River at Chashma as part of the Indus Basin Project (IBP) made it possible to taking off a canal on the right bank from the Chashma Barrage.

22. The first feasibility report was prepared by WAPDA in 1970. The feasibility report proposed the gravity canal system to irrigate 500,000 acres of land: 350,000 acres in the Dera Ismail Khan district and 150,000 acres in the Dera Ghazi Khan district.

23. The first feasibility report was revised in 1973. The project revision led to a dramatic increase in the CRBIP’s command area. The revised report envisaged the irrigation of 1,368,000 acres in the Dera Ismail Khan and Dera Ghazi Khan districts through gravity and pumping cum gravity system³. It was also decided to exclude drainage component from the original project plan in order to control the project cost. A resurrected inter-provincial water dispute following the Indus Basin Water Treaty remained one of the major determinants of decisions with regard to the CRBIP design and system capacity. Three provinces—Punjab, NWFP, and Sind, were direct stakeholders in inter-provincial water sharing arrangements.

24. The Bank’s involvement in the CRBIP started in 1976 when a fact-finding mission visited the proposed site of the project in D.I.Khan district. The mission asked for further information and handed over a questionnaire to WAPDA. A supplementary questionnaire was also provided to WAPDA during the re-appraisal mission. The third and final appraisal mission came in August 1977, and a Memorandum of Understanding (MOU) was signed to fund the project (Phase-I Gravity Flow System) at the end of the mission visit. The project loan totaling $31.5 million was approved on 15th December 1977. The project (Phase-I Gravity Flow System) was then meant to irrigate 202,350 hectares in both the NWFP and Punjab Province⁴.

25. By late 1979, the project work virtually ceased due to the substantial cost overrun. The revised PC-1 Proforma prepared by WAPDA assessed more than two time increase in the project cost. This situation led the government to impose ban on the award of new contract. Subsequently, the Bank suspended the loan disbursement pending resolution of the cost overrun issue. Management justified the decision of loan suspension and pleaded that the appraisal was conducted without its involvement in project preparation and it relied heavily on WAPDA’s original proposal⁵. While WAPDA argued that such substantial cost overrun occurred due to the lack of detailed project planning and field surveys⁶.

26. As a result, the Government and WAPDA underwent a lengthy project reformulation exercise. A high level technical committee that was mandated to review the revised costs and suggest cost reduction measures was constituted by the government in February 1980. The high level technical committee directed WAPDA

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⁴ Loan No. 330-PAK (SF): Chashma Right Bank Irrigation Project, for $31.5 million, approved on 15 December 1977.
to prepare cost estimates for various alternatives rowed-kohi (hill-torrent irrigation) schemes in the project area during its last meeting held on 1\textsuperscript{st} May 1980. Meanwhile, it was decided to engage NESPAK-an engineering consultant firm- for review of the design, cost estimates and economics of the CRBIP. NESPAK submitted three plans including revised plan of the project as contained in the revised PC-Proforma of 1979, alternative plan and cost reduction plan. The recommendation was made in the favor of alternative plan. On 11\textsuperscript{th} December 1980, the Federal Ministry of Water and Power directed WAPDA to carry out the study on cross-drainage works and rowed-kohi (hill-torrent irrigation) scheme to ensure minimum cross-drainage works and maximum spreading and utilization of floodwater of hill-torrents as part of the CRBIP. However, WAPDA rejected this idea as well and claimed that rowed-kohi (hill-torrent irrigation) development scheme would not be economically attractive. It was also argued that the decrease in number of cross-drainage works would not necessarily result in reduction of the project cost\textsuperscript{7}. Rather, WAPDA maintained that its suggested lift scheme starting from remodeled head regulator to the tail end along with a parallel channel was technically and financially most viable project design. The issue was finally resolved in a high level meeting chaired by the then finance minister. A gravity flow canal design with a capacity of 4879 cusecs was recommended. It was also decided to design and implement the project in three stages spread over 10 years\textsuperscript{8}.

27. Meanwhile, the Government requested technical assistance from the Bank in 1981. The technical assistance\textsuperscript{9} reviewed and reassessed the reformulated and staged CRBIP. Following review of the Consultant’s report and negotiations between the Government and the Bank, a revised CRBIP was proposed in 1984, with a total investment cost of $577 million consisting of $377 million for the main canal system, including cross drainage structures for the main canal system and $200 million for command area development (CAD), inclusive of surface and sub-surface drainage and watercourses construction\textsuperscript{10}. The rehabilitation of Paharpur canal was also included in the CRBIP Stage I. The Bank formally consented to proceed with the Stage I and immediately reactivated the suspended loan. Thus the already separately approved loan of $25 million for on On-farm Water Management Project (OFWMP)\textsuperscript{11}, aimed to improve the water availability at the farm level in the existing irrigated area previously served by the Paharpur canal, became linked with the overall CRBIP. In the same year, the Bank also approved a separate loan of $40 million for the development of Chashma command area\textsuperscript{12}. The CRBIP Stage-I was completed in December 1986.

28. The total CRBIP-Stage I command area consists of 140,000 acres, of which only 14,000 ha were newly irrigated area. Even there was also some partial tubewell

\textsuperscript{7} Ibid.
\textsuperscript{8} Ibid.
\textsuperscript{9} TA No. 457-PAK: Revised Chashma Right Bank Irrigation Project, for $240,000, approved on 20 April 1982.
\textsuperscript{11} Loan No. 495-PAK (SF): On-farm Water Management Project, for 25 million, approved on 15 December 1980.
\textsuperscript{12} Loan No.723-PAK (SF): Chashma Command Area Development Project, for $40 million, approved in November 1984.
irrigation in the new canal command area. The remaining command area was already being irrigated by the perennial water supplies from Paharpur system in Dera Ismail Khan District. The Project Performance Audit Report (PPAR) on the Chashma Command Area Development Project points out that the benefits in the CRBIP Stage 1 have been underachieved. It identifies that projections of future-without-project (FWOP) cropping intensities and yields in the Paharpur command area were based on the 1960s estimates in WAPDA’s 1970 feasibility report. Subsequent revisions substantially lagged improvements. Projection of the FWOP situation ignored increases in cropping intensity and yields that could have been predicted to follow the commissioning of the Chashma Barrage and the consequent conversion of the Paharpur system from an inundation system to a perennial system prior to the commencement of CRBIP Stage 1. The PPAR concludes that these developments would have raised cropping intensities to about 100 percent by FY 1986 without the project. It further notes that the CRBIP Stage 1, in fact, suffered large seepage losses that caused water logging and reduced cropping intensities in the first few years of canal operations. Department of Agriculture informed the Post-Evaluation Mission (PEM) that the waterlogged area has been increasing since 1995 and now affects some 4,000 ha\(^\text{13}\). A special study in preparation for the PEM for the CRBIP and OFWMP was conducted in late 1990. The report says that locals feel that as the Paharpur canal already irrigated the area, they did not suffer from severe water shortages, and the net result of the project has been more harmful than beneficial\(^\text{14}\). The 1994 Study by the International Water and Irrigation Management Institute (IWIMI) in Stage I area concluded that more than 20,000-25,000 ha in lower reaches of CRBIP Stage III would experience acute water shortages because of prevailing poor irrigation management practices, high cropping intensities and extensive cultivation of water intensive crops such as rice and sugarcane\(^\text{15}\).

29. In December 1987, the Bank approved a loan for $48 million for CRBIP Stage II\(^\text{16}\). The work on the CRBIP Stage-II commenced in August 1988 and was completed in June 1992. Components common to all three projects including command area development and drainage, which covered the Stage I area, have been included in a single package of components for the full development of the Stage II. The canal command area (CCA) of CRBIP Stage 11 is about 38,000 ha, made up of 23,900 ha of un-irrigated lands (62 percent), 11,100 ha of tubewell-irrigated land (30 percent) and 3,000 ha already irrigated from the tail end of the Paharpur system\(^\text{17}\).

30. WAPDA felt it urgent to continue with the momentum gained at the completion of the Stage 11. The dovetailing work was thus completed prior to the commencement

\(^{14}\) See Special Study in Preparation for the Post-Evaluation Mission for the Chashma Right Bank Irrigation Project and the On-Farm Water Management Project conducted by Development Research and Management Services (Pvt.) Limited in December 1990.
\(^{15}\) Study report of International Water Management Institute
of CRBIP Stage III\textsuperscript{18}. The already engaged contractors for Stage II through a variation order did this work. However, the government was not satisfied with the decision of WAPDA to undertake dovetailing work and termed the award of contract for dovetailing work on the basis of negotiation highly irregular and against the prescribed rules. An investigation was also ordered to investigate the matter. The result of investigation is not known.

31. Financing for the current and third stage was approved by the ADB in December 1991 for $185 million, which is about 64\% of the total cost of stage III. The Government of Germany (KFW) has also loaned about $40 million. The Appraisal Report on the CRBIP Stage III justified the project on the basis that full potential of the staged development of the overall CRBIP could not be realized without the completion of Stage III\textsuperscript{19}. 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\textsuperscript{20}.

32. The CRBIP Stage III once again experienced changes in the project design, cost overrun and substantial delay in the implementation process. Two important inter-linked changes were made in the approved design of the CRBIP Stage III. First, it was decided to replace culverts and siphons with super-passages in cross-drainage works. This decision was taken despite the fact that super-passages were more costly than culverts and siphons. It was however envisaged that super-passages would be economical in the long run\textsuperscript{21}. Another associated change in the project design was made by shifting the alignment of the main canal further uphill to the west in order to enable the use of super-passages for the crossing of flood flows of various hill-torrents\textsuperscript{22}. These changes in the project design later on resulted into serious adverse social and environmental impact including project-induced displacement.

33. Despite the rush initially shown by the WAPDA with regard to the completion of dovetailing work, the implementation of the current CRBIP Stage III underwent substantial delay. It was envisaged at the time of appraisal that the construction of the main canal would start by early 1992. However, the major contract for its construction (Contract C-65) was not awarded until late 1997. The PC-Proforma (4\textsuperscript{th} Revision) gives us in-depth insights into the causes and implications of project delays. It says that the delay happened because the donors held up their concurrence desiring that 3\textsuperscript{rd} PC-1 1996 should be first approved by the Economic Evaluation Committee (ECNEC) and also the tender be awarded to the 2\textsuperscript{nd} lowest M/s TEKSER whose bid was higher by Rs.180 million from that of the lowest bidder i.e. M/s China Geo Engg. Corp. WAPDA claims that it tried its best to convince the Bank for the award of contract to the 1\textsuperscript{st} lowest bidder so as to save the national exchequer from

\textsuperscript{18} The main canal from the end of Stage 11 at RD-378+500 to RD-385+500 is called dovetailing.


\textsuperscript{20} See ADB (1999). Optimizing Existing Investment in the Water Sector Resources in the Islamic Republic of Pakistan.

\textsuperscript{21} See Minutes of the CDWP meeting held on 12\textsuperscript{th} November 1997.

\textsuperscript{22} See PC-1 Proforma (4\textsuperscript{th} Revision): Chashma Right Bank Irrigation Project, December 1999.
an extra burden of Rs.180 million, but in vain\textsuperscript{23}. Similarly, delay in the award of Contract No.66 once again occurred due to the reluctance of donors in giving their concurrence. The tender for the contract were opened on 5\textsuperscript{th} December 1996 but the concurrence of the donors to sign the contract agreement was not received till 20\textsuperscript{th} February 1999\textsuperscript{24}. The process of award for this contract took 27 months against the scheduled 4 months. One of the reasons of delay was the insistence from the donors to include the provisions of vehicles in the BOQ of the tender documents. WAPDA was of the view that adequate vehicles were available from the completed projects to cater to the need of this contract\textsuperscript{25}. Also, two other contracts could not be administered according to scheduled time because of the demand from the donors to ensure the availability of counterpart funds and resolution of Operation and Maintenance (O&M) issue.

34. Stage II&I of CRBIP were completed by WAPDA without reliance upon international contractors and consultants. However, the Stage III is an entirely different story. The Appraisal of CRBIP Stage III attributed the delays experienced in Stage I & II to the failure of local contractors, and recommended that civil works for the construction of main canal, flood carrier channels, and distributaries, minors and surface drains should be tendered in larger packages under international competitive bidding (ICB) procedures to attract large international contractors for the main canal and larger local and/or international contractors for the distribution system\textsuperscript{26}. Extensive involvement of international consultants was envisaged in the CRBIP Stage III, in order to undertake further design investigation, planning and preparation of implementation schedule and contract administration including the preparation of pre-qualification and tender documents and bid evaluation. Ironically, despite such extensive engagement of international consultants in project preparation and implementation, the project design suffered major faults along with substantial delays. The consultants also failed to ensure the efficient and timely administration of contract and thus benefited from this situation. Payment to the expatriate consultants involved in the Stage III is being made in foreign currency. Due to the devaluation of local currency up to the extent of 108 percent against US$ during this period, the cost overrun in consultancy services is up to Rs.457 million\textsuperscript{27}.

35. By April of 1999, there were already substantial delays and cost overruns and only 15% of the Stage III had been completed. Instead of requesting a new loan for CRBIP, the Government of Pakistan proposed that cost overruns be met by utilizing funds from the ADB-funded National Drainage Sector project. In July 1999, the ADB approved a transfer of $33.5 million from the latter project to the CRBIP. Subsequently, the cost overrun estimates were reduced, resulting in a surplus of $5.1 million that was redirected back to the National Drainage Project. The total (net) loan amount for the CRBIP Stage III is now $207.8 million, of which $163.1 million has

\textsuperscript{23} See PC-I Proforma (4\textsuperscript{th} Revision): Chashma Right Bank Irrigation Project, December 1999.
\textsuperscript{24} Ibid.
\textsuperscript{25} Ibid.
\textsuperscript{26} See ADB (1991). Appraisal on the Chashma Right Bank Irrigation Project (Stage 111).
\textsuperscript{27} Ibid.
been disbursed. The closing date of the loan was originally September 30, 2000, but it has been extended to December 31, 2002.

IV. OUR CONCERNS
36. The problems and adverse impacts of the CRBIP have had a dreadful impact upon communities and people in and around the project area. According to unreliable official figures, about 13,133 persons will be displaced due to the project. There is no official study/survey on the number of people affected by land acquisition under this project. Similarly, the people who are affected due to project induced flooding in the riverine belt are also not available. Lives and livelihoods have been damaged and threatened because of project failures in addressing design flaws, resettlement, compensation, environmental mitigation, access to information and consultation.

37. Claims of citizens acknowledged by national laws have also been suppressed or ignored. Full information to project affectees and announcement of awards prior to land acquisition are legally binding under the Land Acquisition Act, 1894. These were largely ignored and violated in the implementation process. Similarly, legal and historical rights of local communities to floodwater are also adversely affected by this project. These historical and legal rights were formally negotiated between local communities and the British Indian Government at the start of 20th century. These water rights remain part of national laws and protected through land settlements done in the project area. The detailed description of our concerns along with the account of noncompliance with relevant Bank’s policies and procedures is given below.

A. Alternative project options assessment and design related social and environmental problems:

38. Aspects related to the CRBIP design have always been a matter of serious contention among country’s decision makers as well as between the government and donors since the project was identified. As a result, the original project design underwent a number of major structural and non-structural changes during the last 30 years. These changes confirm that the project design was essentially an on-going process. Nonetheless, these design reviews and subsequent changes were by and large guided by the concerns of cost overrun, canal protection from floodwater of hill-torrents and inter-provincial negotiations on water apportionment of the Indus River. Not only did the project design fail to address most of these predominant concerns in comprehensive manners but also induced significant adverse social and environmental hazards.

39. PPAR on the Chashma Command Area Development Project observed that the lack of comprehensive, integrated planning and design in the overall CRBIP is evident also in the project design. The fragmented design approach adopted for addressing drainage and irrigation issues in Chashma resulted in a generally incomplete preparation for each project, and lack of comprehensive view both in the

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design and overall evaluation of the CRBIP. Each project design treated other projects’ elements as sunk costs, whether or not the costs had in fact been incurred\textsuperscript{29}. PPAR further observed that a particular concern was the absence of any comprehensive and appropriate survey of socioeconomic conditions since the commencement of the CRBIP. Neither at the time of the 1970 feasibility study nor in the subsequent 28 years was such a survey undertaken\textsuperscript{30}. Similarly, PCR noted that the actual needs were identified only during implementation and that the project as completed was essentially different from appraisal expectations\textsuperscript{31}.

40. Lack of comprehensive and integrated planning and design coupled with sheer absence of socioeconomic survey, in violation of the ADB policies, led to the over-estimation of project benefits and economic return which in turn has caused flawed decision-making in this project, adversely affecting the rights and interests of the claimants. The CRBIP was designed on the basis of physical conditions with little consideration for other factors. A consequence has been the design of CRBIP related projects on the basis of theoretical calculations instead of grounding it on the actual cropping patterns and socioeconomic and cultural conditions. This has harmed the rights and interests of the claimants, and it is exactly the kind of harm that the policies designed to prevent and mitigate. PPAR on the Chashma Command Area Development Project for Stage I confirms that the area would have achieved desirable cropping intensity even without the project. Similarly, about 38 percent of the command area in the Stage II was already irrigated. The case of the current third stage is also not different. There are evident factors which will result into fewer benefits than projected in the appraisal document. First, the actual command area and cropping intensity would be much less against the projected targets. As predicted by the IWMI study, more than 20,000-25,000 ha in the lower reaches of CRBIP Stage III would suffer acute water shortage due to high water consumption and poor irrigation management and thus resulting into lower cropping intensity. Secondly, more than 36,000 acres of land-formerly irrigated by rowed-kohi irrigation- is now located on the eastern side of the main canal and cut off from original source of irrigation. However, this area is not being able to receive sufficient canal water supplies due to difficulties in conveying water from the distributaries to minors. WAPDA provided access to irrigation to the affected farmers through sum pumping, which is not only insufficient but costly to farmers as well. Similarly, about 20,000 thousand acres of land lying in the command area of the Massu Wah Inundation Canal has been totally destroyed due to the extensive network of flood carrier channels. Rather, the disposal of surplus water of distributaries in this area is devastating the existing livelihood base. Furthermore, a significant portion of command area cannot be irrigated because of wrong design of small canals (distributaries). There is a widespread complaint that water cannot be conveyed from distributaries to minors without constructing temporary obstruction that is legally not allowed.

\textsuperscript{29} Ibid.
\textsuperscript{30} Ibid.
\textsuperscript{31} Project Completion Report CRBIP Stage I
41. One of the major livelihood concerns is the implications of the CRBIP to traditional rowed-kohi practices which sustained livelihoods of local communities living in the west side of the main canal. The project area receives regular flood flows of various hill torrents. However, local communities have been successfully using these flood flows for the centuries-old rowed-kohi (hill-torrent) irrigation system. The British Government of India established separate laws and irrigation set-up for the regulation of this system. Despite the gradual deterioration of traditional rowed-kohi system, it still supports a large number of local populations in and around the project area. The CRBIP has affected this system negatively by massive diversions and disturbances to the floodwater courses to ensure the safety of the main canal, and has thus deprived a large population from using the floodwater. All these communities are living outside of the canal command area. They are now not able to adequately use traditional floodwater. Their rights and interests in the floodwater that they have traditionally used have not been adequately addressed and there is no plan to compensate these people for the diverse adverse impacts they have been suffering from the massive disruptions of the rowed-kohi system, which is in violation of the involuntary resettlement policy.

The ADB Involuntary Resettlement Policy, which was in effect at the time of project financing, has been violated throughout project implementation. The Involuntary Resettlement Policy states that:

If individuals or a community must lose their land, means of livelihood, social support systems, or way of life in order that a project might proceed, they should be (a) compensated for lost assets and means of livelihood and income, (b) assisted for relocation including provision for relocation sites with appropriate facilities and services, and (c) assisted so that their economic and social future will generally be at least as favorable with the project as without it. Appropriate land, housing and infrastructure, and other compensation, comparable to the without-project situation, should be provided to the adversely affected population, including indigenous groups, ethnic minorities, and pastoralists who may have usufruct or customary rights to the land or other resources taken for the project.

42. The Bank failed to pay serious attention to assess project options in order to address the implications of the CRBIP on traditional rowed-kohi (hill-torrents) irrigation system and vice versa, despite the fact that alternative project option assessment became critical issue of debate immediately since the suspension of the project in 1979. A high level technical committee appointed by the government recommended that account be taken of alternative development schemes in the area. Similarly, the Ministry of Water and Power recommended detailed studies which would integrate rowed-kohi system of irrigation with the overall CRBIP. It was also asked that cross-drainage works should be minimized in the same spirit. Negligence of this advice from the federal Ministry of Water and Power not only resulted in massive disruptions in the rowed-kohi system but also increased the risk of flooding. This fundamental fault was even acknowledged by the ADB staff and officials of
WAPDAP participating in the Chashma Stakeholder Dialogue on Social Impact held during 4-7 March 2002. This realization, after twenty-two years from project commencement, led to the recommendation of conducting investigations into economic, social and physical integration of livelihoods based on hill-torrent irrigation with economies generated from canal irrigation. Asian Development Bank accepted the responsibility to efforts for undertaking these investigation. However, this recommendation has never been implemented.

The following specific provisions given in the -ADB Guidelines for Social Analysis of Development Projects were not adequately complied with in project preparation and feasibility study:

- Social Analysis: This assists Bank staff to test assumptions made in the EIRR against social realities and to examine alternative project options in terms of design, size, location, timing and technology (Page: 3, Para. 17). In fact the “assumptions made have not been tested and adjusted to reflect the reality of the project area.

Traditional Water Users: If traditional water-user societies, or similar, already exist, care will be taken to protect and involve such groups in the new project (Page 108, Appendix 7, para. D2(iii). Rather than protecting the rights of rowed-kohi users in the west side and farmers living in the command areas of the Massu Wah Inundation Canal, the project induced massive flooding and diversions of flood flows made it almost impossible for them to continue using these rights. This is particularly true for the communities living close to the right (west) bank of the canal.

43. The project design recommended at the appraisal stage was bound to fail and negatively affect a large population because of visible but deliberately ignored factors. As the main canal cuts through the natural paths of numerous hill-torrents, the project infrastructure is naturally under the threat of massive flooding. The impact of these floods has also been the focus of Bank consultants. While analyzing the impact of flooding on the safety of the canal, consultants Dr. T.D.Heiler and Dr. W.A.N. Brown predicted design failure as inevitable due to floodwaters. They concluded that the construction of super passages and siphons and the provision for upstream training and protection could only reduce the risks of damage, and by careful design, minimize damages when failure occurred due to the peak flood discharges. However, the failure was inevitable, given the design return period of 40 years, and the uncontrolled and unpredictable nature of upper catchment area. The appraisal document explicitly recognizes that “ floods exceeding the design capacity of structures may be associated with increased flood damage.... When a flood event exceeds this design flow, significant adverse environmental effects may result. Likely effects will be canal breaching, destruction of irrigation works in the breach vicinity, destruction of crops and possible destruction of villages and consequent loss of life”.

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Category B projects are “those with significant adverse environmental impacts but for which mitigative/remedial measures may be prescribed readily.” This project has significant environmental impacts but more than ten years have passed since the loan was approved, and only two months before the loan is supposed to be closed, the ADB and WAPDA have still failed to prescribe, much less implement, appropriate mitigative or remedial measures to deal with the problems. This alone shows that the project was improperly classified.

The project should have been classified as Category C, projects “with significant adverse environmental impacts requiring detailed environmental assessment/analysis.” Had the Bank properly recognized the complexity of the environmental and social impacts of this project, and commissioned the appropriate studies and analysis, either at the time of the initial financing or at the time of refinancing in 1999, many of the problems in the project might have been better addressed. Appendix 1 of the Operations Manual states that Category C projects include “large-scale irrigation and water management projects,” “drainage projects,” and “displacement and resettlement of indigenous communities”.

44. Interestingly, this design failure has occurred thrice just in the 2001 monsoon season. Contrary to the consultants’ prediction, the main canal was breached due to the pressure of medium flooding. The project induced flooding affected eight villages and, as a direct consequence, two persons died. Houses, property and other livelihood assets were also damaged. These communities have not even been considered eligible for compensation. Had the main canal flow coincided with flood flows, as is likely to happen in future monsoons, the damage to life, property and livelihoods in the villages and towns would be disastrous.

B. Changes in project design, additional financing and project reappraisal:

45. In December 1991 the Bank approved the loan for Stage III of the overall CRBIP. The closing date of the loan was September 2000. According to the original plan, the construction of main canal was due to commence in 1992. However, the project suffered substantial delay and the major contract for the construction of main canal was awarded in 1997. Meanwhile, the government decided to change the project design approved at the appraisal stage. WAPDA and the Bank approved two changes in the project design. First, the alignment of main canal was further shifted to the higher grounds level on its right (west) side. Environmental assessment of these changes in project design was never undertaken. Secondly, the suggested siphons to provide the safe passage to floodwater at the location of main canal were converted into super passages. The decision was taken in the CDWP meeting held on 12th November 1997. The minutes of CDWP committee confirm that the ADB was fully consulted prior to making these changes in project design. The shifting of canal alignment multiplied the risk of flooding and damages to the villages located further west but close to the new alignment. Similarly, the conversion of siphons into super passages played havoc and resulted in serious flooding problem. Sill level of super
passages, which were fixed with respect to the fully supply levels, were high and resulted in ponding 3-7 meters deep water along 3-5 kilometers stretches of the west bank of main canal. Project induced flooding, which was already identified as major problem in the original appraisal document, became a very serious issue and threatened life and livelihood of villagers living in and around the west side.

46. The changes in project design shortly followed the additional financing from the Bank to meet the cost overruns. One of the reasons behind the cost overruns and subsequent additional financing was the changes made in project design. The government requested the Bank that instead of supplementary financing it should be allowed to utilize part of the proceeds of the on-going National Drainage Sector Programme (NDSP) to meet the cost overruns.

47. Supplementary financing for the CRBIP Stage III to cover cost overruns was approved in 1999 without any objection and without reconsidering the impacts of the project at that time. This decision failed to benefit from lessons learned during project implementation about problems in the project, and failed to include a comprehensive reappraisal as required by ADB policy. Fundamental assumptions about technical, social and environmental aspects made in the original appraisal document were proved incorrect during the course of implementation. For example, the original project appraisal assumed that no resettlement would be involved in the Stage III. However, the project-induced displacement had become reality in 1997. Despite the fundamental changes in project design involving major social and environmental hazards as well as cost overruns, Management failed to conduct comprehensive project reappraisal including the analysis of all technical, economic, financial, legal, institutional, social and environmental aspects of the revised project. This was in clear violation of the ADB’s policies on the Bank’s Operational Missions, cited below:

The following provisions of the Bank’s Operational Missions (OM 32 BP/OP issued on January 13, 1997), were clearly violated:

“A reappraisal mission is sent when substantial or basic changes have become necessary in the scope or implementation arrangements of an approved project or when cost overruns are incurred in its implementation. As in the case of an appraisal mission, the re-appraisal mission is required to obtain all the necessary information to analyze the technical, economic, financial, legal, institutional, social, environmental, and other aspects of the revised project and should also reach a written understanding in the form of an MOU with the borrower/executing agency concerned. The mission is expected to examine the completed and ongoing works of the approved project and to determine whether substantial changes in the project scope or implementation arrangements are necessary to achieve the original objectives of the project or whether supplementary financing of cost overruns could be considered based on the policy and operational guidelines established for such purpose. The work done by the reappraisal mission forms the basis of the required Board paper (normally for approval on a no-objection basis) proposing major changes in project scope or implementation arrangements, or the RRP and
48. It should be noted that relevant policies on supplementary financing of cost overruns on Bank-financed projects make it compulsory to consider the additional funding as similar to that for new loans, and include reappraisal of the entire project.

The following provisions of the Bank’s Operational Procedures on Supplemental Financing of Cost Overruns of Bank Financed Projects, (OM Section 13/OP issued on 12 December 1995) were not followed at the time of supplementary financing for the CRBIP Stage III:

“The procedures for processing a supplementary loan, whether by additional financing or by reallocating funds from other Bank’s financed projects, is similar to that for new loans, and includes reappraisal of the entire projects”. The policy also states that “Financing of cost overruns will require reappraisal of the project concerned”. (BP para 1).

49. Management’s response has admitted that the only thing that the ADB team did during reappraisal was to establish the reasons for the cost overrun (see Management response para 38). Management has therefore admitted that the reappraisal mission failed to comply with the requirements of ADB policies on Supplemental Financing of Cost Overruns and the policy on the Bank’s Operational Missions.

50. Board paper
C. Project induced flooding and involuntary resettlement

51. The project area has certain peculiar topographic features. More than 90 percent of the project area is comprised of a large eastward-sloping piedmont plain with an average gradient of 1:800 on the west. This gradient is significantly higher than in most irrigation projects in Pakistan. Furthermore, the area is bifurcated by numerous nullahs which carry high peak flows during the monsoon period. Methods to channel these flood flows from west of the command area into and safely through cross drainage structures provided on the main canal, and hence through the command area to the Indus River. A major system design concern in the project flood protection measures is cross drainage works and flood protection measures. Cross-drainage works and flood carrier channels comprise about 50 percent of the cost of main canal34. However, these measures have failed to ensure safe drainage and in fact exactly opposite have happened entirely due to project interventions. The project induced massive flooding in the area has created serious threats to human life and livelihoods of the local communities.

52. There are three evident factors that played an instrumental role in failure of the cross-drainage works and other flood protection measures. Local communities elaborated these factors to the ADB consultants during a recently held study on

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34 See CRBIP Stage III: Comments Volume of the Workshop on Social Impacts. 2002
social impacts of CRBIP\textsuperscript{35}. First, the sill levels of the super-passages across the main canal have been kept too high and this causes ponding of 3-7 meters deep water along 3-5 kilometers stretches of the west bank of the canal. These high sill levels are result of shifting the alignment of canal further uphill. Second, the course and size of hill-torrents is not predictable. Therefore, nullah beds shift their positions within the command through preferential siltation. There is no guarantee that the flood flows will not change course in the future and thus rendering the current cross-drainage structures useless. Third, some cross-drainage structures and flood carrier channels have been over-designed and some under-designed. This happened because the engineers did not consult with local communities about the discharges experienced in various Paras, Nais, or Nullahs in their collective memory. Instead the engineers studied geomorphologic parameters only, such as cathectment and widths of nullahs bed to estimate the one-in-forty years flood. Moreover, engineers arbitrarily assigned multiple nullahs and sheet flows to single drainage structures. The recent report on social impacts concludes that there is a widely and strongly held belief among villagers in the project area that in messing with the traditional system of rowed-kohi, the CRBIP may well have increased the danger of flooding not only on the west side but also on the east bank, where the under-designed drainage channels may not be able to cope with what are likely to be less predictable and less manageable floods\textsuperscript{36}.

53. The Bank approved the loan for the CRBIP stage III without paying any serious and realistic attention to the phenomena of project induced flooding leading to the displacement of local communities living on the west side of main canal. Rather the appraisal document concludes that the Stage III project does not involve any dislocation of families for irrigation canals and facilities\textsuperscript{37}. However, it was realized by the ADB Review Mission visiting the project area in August 1995 that the flooding aspects were considerably underestimated in the feasibility study. It was also reported that the appraisal had not provided for costs of protection\textsuperscript{38}. By 1997, it was evident that nine villages in the west side would require relocation because of the blockage of flood flows. However, recent estimates made by WAPDA indicate that about 22 villages would be displaced due to the flooding problem. The estimates by better-informed, local affected communities are even higher than this assessment. Continuously increasing figure about the number of affected villages indicates that Management has completely failed to undertake the studies necessary to ensure accurate enumeration of project-affected villages and failed in its obligation to consult with those people. This is in violation of Appendix 6 of the 1991 Guidelines for Social Analysis of Development Projects, which states that “the affected community will be fully informed and closely consulted on resettlement and compensation options and involved in decision-making” . The total number of affected persons is still not accurately known because of the lack of proper and reliable social survey in all affected villages.

\textsuperscript{35} CRBIP Stage III: Draft Discussion Paper for Workshop on Social Impacts. The Consensus Building Institute prepared the report.
\textsuperscript{36} Ibid.
\textsuperscript{38} See Initial Complaint on Chashma Right Bank Irrigation Project Stage III: Management Response
54. Social and environmental impacts of flooding caused by the project are still not fully known because of the continued drought in the area. Last year, the area received low and medium floods and still more than eight villages experienced massive flooding that caused loss of life, property and livelihoods. These impacts are likely to be even greater if the region experiences more typical rains and flash floods. For example, the village of Sokkar is the biggest settlement of all on the west bank, and is listed as having a population of 10,000 in the 1998 census. This large settlement, which lies very near to the town of Taunsa, was not included in project survey and was not considered by the project team to be under the threat of flooding. It was, however, hit by the three floods in 2001 - in April, in May, and lastly on August 14-15, 2001. In the last flood, a young boy drowned, 78 houses were damaged and many people lost their belongings and stored wheat. Thus the project, designed to provide flood protection, has itself become the major cause of flooding. Similarly, the vast and productive riverine tract experienced flooding because of the project channeling of flood flows of several hill-torrents into a single flood carrier channel. The riverine belt is also facing the flooding problem because of the disposal of water from various distributaries. The standing crops of cotton, immovable property and other livelihood assets were destroyed in that area. One example is Makwal Kalan village, which has been heavily suffering because of the project, induced flooding. Management and EAs are not even fully aware of the problems of farmers in this area due to the farmers’ geographical isolation, and political marginalization since a significant portion of this population consists of tenants and landless farmers. Management failed to undertake comprehensive social and environmental impact assessment of project induced flooding in the riverine belt. This is in violation of the ADB policy on involuntary resettlement as well as Appendix 6 of the 1991 Guidelines for Social Analysis of Development Projects, which states that affected communities will be full informed and closely consulted.

55. As PPAR indicates that the project design is essentially an on-going process, this includes the adverse social and environmental impacts of the project. A recent example is the village of Gut that is located close to the flood carrier channel of Vehowa hill-torrent and facing the threat of extinction due to the considerable soil erosion. There are many such villages, which are facing serious social and environmental impacts and have not yet been investigated properly. As a result, the project lacks comprehensive rehabilitation plans for these villages.

The following specific provisions of ADB Guidelines for Social Analysis have been totally violated:
- Wherever viable alternatives exist, involuntary resettlement should be avoided.
- Where resettlement is unavoidable, project options should be sought which minimize the actual number of persons displaced.
- If an individual or community must loose their original land, livelihood,

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social support system or way of life in order that a project might proceed then they have a right to be compensated in such a way that their economic and social feature will be at least as favorable as without the project.

- Wherever possible the affected community will be fully informed and closely consulted on resettlement and compensation options and actively involved in decision-making.
- The full cost of compensation including social preparation be included in project costs and taken into account in the rate of return calculation when the economic analysis of project is prepared.
- To better assure resource sufficiency and to strengthen loan conditionality, both local and foreign, cost of resettlement/compensation should be included as part of the proposed loan package.

The right of those affected to be consulted on their future options, the adequate preparation of the receiving site and especially the acquisition of suitable land, etc before project operations require the removal of people from their original homes.

56. The project planning and decision-making process totally ignored viable alternatives in the form of the development of indigenous rowed-kohi irrigation. In fact, the project engineering interventions affected this alternative indigenous system negatively by massive diversions and disturbances to the floodwater courses to ensure the safety of canal. Project induced resettlement costs were not even made part of the loan package. As a result of these engineering interventions, about twenty-two villages are facing the threat of project-induced displacement. There is still no resettlement plan for the affected people who have been displaced or face the threat of displacement in the near future.

57. Project affected communities were neither properly informed nor consulted. Rather, physical force and threats have been used to force them to abandon their homelands. There have been numerous incidents in which the police was called to coerce the affected persons to leave their original homes without even resettlement arrangements and plan. As a result, some of the village left their ancestral villages because these coercive measures. However, majority of the villagers are not ready to leave their places without adequate resettlement arrangements.

58. When the project was refinanced by the diversion of a certain amount of loan from the National Drainage Programme in 1999, ADB staff were aware of the resettlement problems. The 1999 refinancing triggered a requirement and was a genuine opportunity for conducting a full reappraisal of the project and incorporating social costs. However, ADB project staff ignored the very obvious resettlement aspects of the project even at this refinancing occasion, when the ADB Resettlement Policy of 1995 better protected the rights of the affected communities.

Additional financing for the CRBIP Stage III was made available through reallocating the funds from the National Drainage Support Programme (NDP).
should be noted that the NDP entails an elaborate set of guidelines for resettlement and land acquisition that are part of loan agreement. It was much easier for the Bank staff to ask the government to apply the same set of guidelines for resettlement and land acquisition to the CRBIP Stage III as part of the refinancing arrangements. This was particularly desirable as the issue of displacement in the Stage III was in the full knowledge of the Bank staff.

59. It is relevant to mention the efforts of Management with regard to the resettlement aspects of Chashma Project III. In April 1997, it finalized the terms of reference (TORs) for the proposed Social Survey and Action Plan. The study was meant to prepare a social analysis of seven flood affected villages in the west side of main canal, and consult with the affectees about the option of resettlement or construction of flood protection bunds around the endangered villages. The study was to be prepared in accordance with Bank Guidelines for Incorporation of Social Dimensions in the Bank’s Operations. The TORs also asked that account be taken of Bank’s Resettlement Policy. However, proposed Social Survey and Action Plan was not undertaken for almost next four years. The reasons of delay are not known. It is relevant to recall that the supplementary financing for the project was approved in 1999. The delay in undertaking the Social Survey and Action Plan caused considerable harm in terms of incorporating the recommendations of the survey into the loan agreement. The report was prepared in February 2001. All villages except one opted for resettlement in the east side of the canal. The study indicates that the opinion in the village that opted for flood protection bund was even divided. The study concludes that “extreme poverty renders the affected villagers incapable of helping even themselves. During floods they simply succumb to its onslaught. Therefore, before making any decision for providing them some relief, the proposal has to be well planned and thoroughly examined to make sure that it is durable and of permanent nature. These villagers in fact are never in a position to fight emergencies by themselves and stand the resultant losses.” It further recommends “the best and the most benefiting manner of rescuing the villages from the present project created situation is to shift them to safe places where no danger of flood exists”\(^{40}\). However, these consultations proved to be only symbolic, and views of the affected villagers were totally disregarded in the subsequent decision-making process. In May 2001, the decision was made by WAPDA against the implementation of resettlement plan prepared by the consultants. It was decided by WAPDA to pay nominal cash compensation or provide flood protection bunds to these villages. It should be noted that affectees term the flood protection bund akin to a jail and consider it a major threat to their safety of life, health and social well-being. The report prepared by the consultants was also revealing in many other aspects. The per capita daily income in these villages was even below one half of a dollar. The number of dependents was more than 50% and education among the adultery people including family heads and their spouses was almost zero. Similar situation exists with regard to other indicators for social and human development in the affected area.

D. Forced land acquisition and compensation:

\(^{40}\) See NDC (2001). West Side Main Canal Flooding: Social Survey and Action Plan
60. The CRBIP Stage III has officially appropriated about 20,000 acres of land for various purposes. However, in addition to the acquired land, a significant area has been damaged because of flooding in the west bank and riverine belt, deep burrow excavations and other engineering interventions. Similarly, severance of landholdings is also very common and has rendered the land of many small farmers unproductive and useless. In the project area, about 80 percent are small farmers and loss of their lands without adequate compensation is a total destruction of their livelihood system. Worse, approximately 26% tenants whose shelter, livelihood and cultural impacts have not even been considered in the compensation package for land acquisition, in violation of the Resettlement Policy and other Bank policies such as the Guidelines for Social Analysis in Bank Projects. Tragically, almost half of the land was acquired for the flawed and problematic flood carrier channels. Most of the land acquired for the construction of flood carrier channels was unnecessary, because existing natural nullahs (streams) could have been utilized instead.

61. The land acquisition and compensation process has been in total violation of national laws throughout the project implementation process. The relevant authorities even failed to implement the inadequate, much-criticized colonial legal system embedded in the Land Acquisition Act, 1894. According to the national laws, there are two procedures for the acquisition of land. One, the normal procedure involves the application of section 4 and 6 of the Act. According to sections 4, the affected communities have to be informed prior to the land acquisition which was not done. Also not followed was section 6 of this Act which requires awards to be publicly announced. Thus the land acquisition process was not carried out according to the normal legal procedures. Second procedures apparently be invoked emergency situations involving the imposition of section 17. Though there was no emergency involved in the implementation of the project but these procedures were not even applied in the course of land acquisition. Hence, the project land was acquired without any legal process and coercive measures were employed to fulfill this purpose. The emergency provisions of the Land Acquisition Act were only invoked at the end of 2001 after most of the land has already been seized by the project in the acquisition process. Land Acquisition Act, 1894 allows taking of possession before compensation only as an emergency after invoking section 17 of the Act beforehand. Most shockingly, the government has recently decided to compensation now invokes emergency provisions in section 17. The retroactive imposition of emergency provisions is against the law itself because project agencies have already previously taken possession of the land. The purpose of imposing emergency rules is just to deprive the affectees from their right to appeal. Government actions remain blatant violation also of injunctions made by the Shariat Bench of the Supreme Court of Pakistan and guidelines of the Council of Islamic Ideology.

62. The process of asset valuation remained totally non-transparent. There has been no participation of affected communities in the valuation process. Valuation of land, structures and other assets so far made has been much below the current market rate. This is stark contrast with the requirements of the ADB’s policy on Social
Analysis, Appendix 6, which requires a detailed inventory and valuation of property to be lost (such as houses, land, walls, trees) as well as household incomes and common property resources (schools, temples, clinics, forests, grazing land, etc). Many small farmers have now become landless due to the acquisition of their entire land or fragmentation of their already small landholdings. Surprisingly, Management and the project agencies claim that the project is close to completion even though the majority of affectees in the Punjab zone have not been compensated even according to the low rates assessed by project authorities.

The requirements detailed in the Appendix 6 of ADB Guidelines for Social Analysis were ignored and hence violated in the following way in the planning and implementation process:

- Possibility to avoid the unnecessary land acquisition was not taken into consideration.
- Majority of the project affectees were not properly informed. They were not consulted at all in the land acquisition process.
- In majority cases, awards were not made prior to the land acquisition. This violated the important guideline that makes it necessary to inventorize and value the assets before the land acquisition.
- Compensation includes only cash money and thus restricts options for affectees. The option of land for land was not even included in the package.
- Valuation of land is much below the market rate. Participation of affectees was not made possible at any stage or at any level.
- Regularization of land was required in the project area. However, project activities started in many project areas without demarcating plots and allocation of titles.

E. Lifestyle disruptions, livelihood losses and threats of in-migration

63. Rowed-kohi system has played an important role in the sustaining of particular lifestyles, livelihood strategies and community support networks in the project area. The social and cultural links-their qualitative content being dictated by this centuries old system- among the people of this area in general and along the courses of major hill torrents have been alive and strong. For centuries, people have made efforts to consolidate their lands along the floodwater routes. With the canal irrigation system there would be tendencies to consolidate the lands along the distributaries and the watercourses and will certainly cause social disruptions. During such movements poor and vulnerable groups stand to lose.

64. One of the major livelihood losses the local communities have had to bear during the years of construction of the canal was the stoppage and diversion of floodwater flows when they could not benefit from future canal irrigation. The losses were extensive because rowed-kohi agriculture was the major source of livelihood for them. Secondly, the cost of conversion from rowed-kohi based farming system to canal irrigated agriculture is very high for small and poor farmers. Many farmers have been
forced to sell off parts of their already small holdings in order to raise capital to meet high costs of conversions.

65. The conversion cost is particularly very high for those in the canal command area who are not able to receive the canal water because of high ground level and ill-designed structures of distributaries and watercourses. Even the appraisal document acknowledges this, and indicates that an “adverse effect” includes the “removal of access to rowed-kohi nullah flows for isolated areas within the CCA that will not receive irrigation water because of their high ground level. It is estimated that some 2,000 ha that presently receive intermittent rod kohi water will be affected in this way.” However, after the changes made in the alignment of main canal, the figure of such “isolated” areas located on high grounds went up to 36,000 acres. Farmers in these areas will have to bear the cost of conversion without any significant return and without receiving compensation from the project authorities.

66. The disintegration of existing community support networks and disruptions in local market links caused by the project is another significant loss. The whole construction activity is significant social and environmental hazard. Excavation and cutting up of the land along a distance of about a thousand miles (main canal, distributaries, watercourse, flood carrier channels, etc), while destroying trees, crops, buildings and other structures and assets has ruined large areas. Moreover, this has disturbed the livelihood all along and all around. For example, Punjab portion of the main canal is 64 miles long and there run 52 distributaries and flood carrier channels, therefore slicing the whole areas into 53 pieces, each division occurring at an average interval of 1.2 miles.

67. Mobility has become serious problem in the area. The location of bridges on the canal and distributaries are too far apart and thus separating one settlement to the other. Severance of community structures, especially graveyards is a common phenomenon.

68. The rapid in-migration of tribal Pushtun is another area of concern. The appraisal document acknowledges that the project will induce major population shifts that will bring new settlers into an area that is populated by traditional peoples, almost doubling the current population levels. The appraisal document further notes that “with the advent of an intensively cultivated agricultural regime in the Project area.... population is expected to reach around 375,000 by the year 2000 as compared with the present estimate of 206,00041. It also notes strangely without comment or analysis, that “a Pashtun tribal migration of possibly historic proportions are trends at least partly attributable to the coming of the canal. The appraisal also notes that “it is anticipated that there will be rapid in-migration to the Project area once distributaries are commissioned and water becomes available at the mogha. Despite this anticipated rapid in-migration of Pushtuns and resulting changes in population demographics in the project area, the appraisal document throws no light on the potential adverse social, cultural, economic and environmental impacts, nor does it

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discuss the ways to assist traditional local communities in dealing with this situation. This is in violation of the ADB’s policy on Guidelines for Social Analysis of Development Projects, which states that projects require special scrutiny when they “may abruptly transplant elements of dominant or modern culture into the midst of a relatively undisturbed traditional culture.” It is relevant to mention here that majority of local population in the D.I. Khan district belong to Siraiki speaking ethnic minority in the NWFP. The changing demographic balance is already politically sensitive issue. The project-induced in-migration of tribal Pushtuns is likely to adversely affect this balance and will create ethnic conflict. This issue has already been mentioned in the Project Performance Audit Report (PPAR) on the Chashma Command Area Development Project prepared in December 1998. The report suggested significant inward migration, and possible ethnic tensions as a result of the Project.

69. The failure to properly analyze and develop mitigation measures for extensive disruptions in rowed-kohi based traditional lifestyles, livelihood losses and alarming inward migration and consequent ethnic tensions is the violations of many provisions of the ADB Resettlement Policy, Guidelines for Social Analysis and Policy on Indigenous Peoples.

F. Environmental concerns

70. In the project planning process, and preparation of initial environmental examination (IEE), the CRBIP has failed to fully comply with numerous guidelines given in the ADB Environmental Considerations in Bank Operations and in the ADB Guidelines for Social Analysis, both of which were in effect at the time of the initial financing of Stage III and at the time of refinancing. The project involves the forcible resettlement of 22 villages. It disrupts the social and cultural fabric of the thousands traditional hill-torrent users and poses threats to the productivity of traditional hill-torrent system. These aspects were totally ignored in the IIE and they were not factored into project planning. Similarly, channeling of several hill-torrent into single flood carrier channel has accentuated erosion at the edges of the Indus River due to silt deposition -- which is not only a threat to the general habitat in the riverine areas but can cause pose special problems of survival to the endangered blind Indus dolphin. This should be noted that this area has been declared as sanctuary for the endangered blind Indus dolphin.

71. Water logging and salinity is a very serious problem. With this regard, the findings of the Project Performance Audit Report on the (also ADB funded) Chashma Command Area Development Project are quite revealing. This command area project is one of the five components of CRBIP. The major objective of this project is to improve drainage facilities in the command area of stage I. The report indicates that 4000 hectares of land had already been adversely affected by waterlogging in stage I of CRBIP. If we were to include the lands similarly affected in stages II and III, the
impact of waterlogging will be staggeringly large. With the passage of time, more land is expected to become unusable. The Project performance Audit Report concludes that the water-logging factor has significant implications for downward revisions of economic returns and project rationale for the entire CRBIP.

72. The Appraisal takes a very minimalist view to assessing risks associated with the project. For instance, it states: “It is estimated that the use of agricultural fertilizers will increase by 56,000 nutrient tons with the intensive cropping brought about by perennial irrigation. An agricultural extension program to ensure efficient use of the chemicals will complement this increase in fertilizer use”. Despite the well-known health and environmental risks associated with chemical fertilizers, the Bank provides no justification for its conclusion that this sizable increase in use of chemicals will be environmentally insignificant. Moreover, the increased disposal of drainage effluent will deteriorate the water quality of the Indus River and thus the aquatic life in the integrated water system of the Basin. This will inevitably affect the downstream communities in the Sind Province. As the lower riparian, Sind province is already critical about this aspect and has raised serious concerns.

The project was classified into “B” category, but that was again in violation of the ADB Environmental Considerations in Bank Operations. The provisions of these guidelines clearly demand that projects involving severe resettlement and socio-cultural impacts should be put into “C” category. Furthermore, the version of the Environmental Consideration in Bank Operations policy in effect at the time of refinancing clearly recognizes that projects categorization can be reviewed and updated as additional information on the projects becomes available. OM Section 20, para. 3. This should have been done in the light of the evidence of greater environmental and social impact that anticipated during initial project design.

G. Information sharing, consultation and participation of the affected people

73. Local communities, and especially affected people, have been kept unaware about the plans for the CRBIP and its components. There remains a serious lack of institutionalized mechanisms for information sharing and consultation with the affected people. The project implementation process has remained non-transparent and hence failed to obtain informed consent since the outset. Even the NGOs involved in the advocacy campaign who have constantly engaged with the ADB and with the project authorities have been refused vital information with regard to resettlement and land acquisition, technical issues and environmental impacts. The participation of the affected people and local communities in the process of land acquisition and valuation of property and other assets has been missing. On the contrary, the villagers were threatened and physical force was used to carry out the land acquisition process. The situation is also similar in the case of involuntary resettlement.
The failure to involve local people in the planning and implementation of this project, the refusal to share information with affected communities and interested NGOs, and the failure to ensure that the voices and concerns of affected people are heard and considered in the context of land acquisition and involuntary resettlement constitutes a complete violation of the purpose and provisions of the *ADB Resettlement Policy*, *ADB Guidelines for Social Analysis* and *ADB Environmental Considerations in Bank Operations*. The Bank has also violated the policy on Benefit Monitoring and Evaluation, which requires the gathering of “qualitative and quantitative information about important social and economic characteristics of individuals and groups affected by the proposed project.” ADB staff lack a fundamental understanding of the social and economic characteristics of the affected groups because they have not engaged in a participatory process to learn about the people affected or the true impacts on the ground.

V. STEPS TAKEN TO CONVEY CONCERNS TO THE BANK

74. Since February 2001, numerous affectees of CRBIP as well as SUNGI and Damaan have been raising the above-mentioned concerns with ADB officials at the Resident Mission and at Headquarters. However, practically little has been done to adequately address these concerns and satisfactorily resolve the issues.

75. SUNGI and Damaan carried out the first independent survey on CRBIP in February 2001. Both Management and the relevant implementing agencies were invited to the launch of this survey report. The Pakistan NGO Forum (PNF), representing a coalition of about three thousand NGOs and CBOs in Pakistan, hosted the launch. PNF passed a resolution that asked both the ADB and WAPDA to promptly and seriously address the issues raised in this independent survey report.

76. In February 2001, Mr. Akira Seki who was then the Director of Agriculture and Forestry Division (West), visited the project area. NGOs and affectees shared their concerns with him frankly.

77. In the same year, Mr. Ahsan Wagha from Damaan gave a presentation to NGOs and Management regarding concerns of affectees and demanded that immediate steps be taken to address the problems.

78. Mr. Mushtaq Gadi from SUNGI participated in the Annual General Meeting of Asian Development Bank held in Honolulu in May 2001. The issues and demands of the Chashma affectees and the concerned NGOs were part of the petition submitted directly to President Chino. A presentation on these concerns was also given to the Executive Director and member of the Board of Governors from Japan. A separate meeting was also held with Mr. Akira Seki. He was again apprised of the situation and concerns of the affected people. After a passage of nearly two years of persistent advocacy with the ADB, the Honolulu meeting with Mr. Seki apparently led to an internal ADB review of CRBIP. Two ADB consultants were asked to undertake
the Social Impact Assessment. The draft report of consultants confirms and elaborates many concerns of the affectees with regard to flooding and resettlement, land acquisition and compensation and lack of consultation and information sharing.  

78. The Chashma Stakeholders’ Dialogue was held in March 2002. The Dialogue failed to reach a consensus because the demands of affectees and concerned NGOs with regard to resettlement, fair and just compensation for land and livelihood disruption were not accepted by the implementing agencies. The ADB staff participating in the Stakeholders’ Dialogue declined to clarify the position of the Bank with regard to the project’s compliance with the Bank’s own policies. Hence affectees and concerned NGOs perceived the ADB sponsored Dialogue as an effort by ADB to impose on them the predetermined decisions on flooding and resettlement, land compensation and rehabilitation in complicity with implementation agencies.

79. Mushtaq Gadi from SUNGI attended the regional resettlement workshop held by the ADB in March 2002 at Manila. During this trip, the entire workshop was briefed about the problems created by CRBIP. Separate meetings were also held with various Executive Directors and alternate Executive Directors for Pakistan, USA, Germany, Netherlands, and Japan, to provide briefings on the concerns of affectees.

80. Most recently, Mr. Gadi attended the ADB Annual General Meeting held in Shanghai, China in June 2002. These concerns were again shared with the senior management of the Bank, Mr.Awasaki, Director General of South Asia Region, and country delegations from Australia, Germany, Austria, Japan, Finland, and the Netherlands. For these past two years, SUNGI and Damaan have continuously kept Management informed through regular exchange of email messages. However, the serious concerns and acute problems of affectees still remain unresolved.

VI. CONCLUSION AND DEMANDS

81. We filed an initial complaint in May 2002, sent to President Chino as required by the Inspection Procedures of Asian Development Bank. We have already explained the reasons and points of dissatisfaction with Management response to our initial complaint. As representatives of the Chashma affectees, we now ask the Board Inspection Committee (BIC) to look into the failure of Management to satisfactorily address problems and concerns raised here about CRBIP and empanel an Inspection Panel that can undertake a much-needed independent review and assessment of this flawed project. Some of the major issues- in summary- are with regard to the issues of involuntary resettlement and inadequate compensation for loss of land, other assets and livelihoods; adverse impacts on traditional *rowed-kohi* (hill-torrent) farmers; adverse environmental impacts; and overall project mismanagement including the issues of access to information, consultation and participation of affectees in decision-making and transparency in project operations. We must request the BIC to review and respond to this Inspection Request submitted it under the Inspection Procedure of the Bank.

82. Our major demand is that the project be put on hold and not closed out until it is brought into compliance with Bank policies. Once the BIC had made its determination
of Management’s role in adverse impacts, we would expect the BIC to propose specific remedies for adverse project impacts. At a minimum, this would require the following:

- An independent and participatory social, cultural and environmental impact assessment in western non-command area, eastern riverine belt and command area.

- An investigation into economic, social and physical integration of livelihoods based hill-torrent irrigation with economies generated from canal irrigation.

- Preparation of participatory comprehensive resettlement and rehabilitation plans for western non-command area region, eastern non-command riverine belt and affected canal command area.

- Formulation of appropriate legal and institutional framework to ensuring full implementation of resettlement and rehabilitation plans.

- Revision of project cost estimates and budgets in light of the environmental and social impacts that have not yet been properly valued or mitigated.

- A participatory and transparent process that is designed in consultation with project affected people and concerned NGOs to revise the Planning Proforma-1.

- Facilitating and providing access to all relevant information about this project and about the inspection panel claim process to the claimants, project affected people and concerned NGOs.

**Attachments:**
Letter of Representation (authorization from the affectees)

Cc: ADB Resident Representative in Pakistan