

COMPLAINT ON MULTITRANCHE FINANCING FACILITY
LOAN 2231(SF)-PAK: NATIONAL HIGHWAY DEVELOPMENT SECTOR INVESTMENT PROGRAM ¹
2nd Monitoring Report, May 2009

A. Background

1. On 11 September 2006, the Office of the Special Project Facilitator (OSPF) received a complaint from persons who considered themselves adversely affected by a portion of a road which is being financed by the National Highway Development Sector Investment Program (NHDSIP) in Pakistan.² OSPF declared it eligible on 29 January 2007. As one subproject under the NHDSIP, National Highway No. 70 (between Multan and Muzzafargarh, Punjab) is being improved, including a stretch of road referred to as the Muzzafargarh Bypass (the Bypass). The executing agency is the National Highway Authority (NHA). In March 2007, OSPF submitted a Review and Assessment Report (RAR) in Urdu and English³ to the complainants and to the Infrastructure Division (CWID) of the Central and West Asia Department. The complainants, comprising 53⁴ affected persons (APs) at the time of the submission of their complaint, expressed concern that they would be displaced by the Bypass, that the process of land acquisition and resettlement was not transparent, and that full compensation for their losses was not assured. In a multi-stakeholder consultation facilitated by OSPF on 17 May 2007, complainants, NHA and CWID reached an agreement that comprised (i) the disclosure of the updated list of APs by 21 May 2007; (ii) the construction of two underpasses; (iii) the communication of preliminary rates and methods, explanations and collection of applications for higher compensation rates; and (iv) the disclosure of the revised resettlement plan (RP) before a round of final consultations with APs would be held.

2. According to OM Section L1/OP, the SPF is in charge of monitoring the implementation of the agreement and has to report the status of the implementation to the President annually with a copy to the Board.⁵ OSPF conducted its first monitoring mission from 31 May to 4 June 2008 to review the implementation of the agreement. The Mission verified the status of the compensation process and concluded that OSPF's local consultant would (i) verify compensation with each AP; (ii) assess the overall process of land acquisition in village meetings; (iii) follow up on individual grievances; and (iv) conduct a household satisfaction survey using a 20% sample in the two villages of the complainants.⁶ On 25 May 2009 OSPF conducted its second monitoring mission to review the construction of the underpasses.

B. Monitoring Activities 2008/2009

3. The disbursement of compensation started on 6 June 2008 and was completed on 17 July 2008. Out of the 46 remaining complainants, 45 received compensation payments.⁷ The OSPF consultant observed the payment, held 2 village meetings to get APs' feedback on the process of land acquisition and resettlement, and conducted a household satisfaction survey with 117 respondents out of which 47 were complainants and 70 were other APs. As a cost

¹ In preparing any country program or strategy, financing any project, or making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank (ADB) does not intend to make any judgments as to the legal or other status of any territory or area.

² Loans 2210-PAK(SF) and 2231-PAK for \$773 million were approved on 13 December 2005 and on 15 February 2006 respectively. The loan agreements were signed on 14 June 2006 and the loans became effective on 27 July 2006.

³ www.adb.org/SPF/rar-eng.pdf, and www.adb.org/Documents/Translation/Urdu/rar-urdu.pdf.

⁴ Several of them have dropped out subsequently for various reasons.

⁵ Operations Manual Section L1/OP, ADB Accountability Mechanism, paragraph 32.

⁶ www.adb.org/SPF/Documents/PAK-nhdsip-monitoring-report-june2008.pdf and www.adb.org/SPF/Documents/PAK-nhdsip-monitoring-report-june2008-Urdu.pdf

⁷ One complainant passed away in 2007 and left behind three wives and 11 children. The compensation will be paid after the allocation of the deceased's estate.

effective measure, OSPF also made the report available to CWID where it is considered as part of the external monitoring of the RP.

4. None of the respondents reported difficulties in the disbursement of their compensation. They appreciated that their complaints had been responded to, the land had been reassessed and substantial adjustments in favor of the complainants had been made. They further highlighted that the two underpasses, which NHA had agreed to, would greatly contribute to more safety in crossing the road. The vast majority of the respondents to the household satisfaction survey noted positively that NHA disbursed the payments in the villages, which was particularly convenient for all APs. The APs were of the opinion that information dissemination improved considerably in the later stages of the RP preparation and prior to the disbursement of compensation. APs explained that the project-specific institutional arrangements for grievance redress remained unclear to them.

5. The Mission made a site visit to inspect the construction of the underpasses and found that the underpass in Basti Guja has been constructed as agreed, but cannot be used by the community because the grading of the slopes and approaches still needs to be completed. The slab covering the underpass in Basti Hinjrawali is still missing.

Conclusion

6. The complainants are satisfied with their compensation and with the process of land acquisition and resettlement. The Mission explained that the complaint can be concluded only once the two underpasses are completed and reminded NHA that it had agreed to verify and place marking pillars in one section of Basti Guja and Basti Hinjrawali. According to NHA the remaining works at the underpasses will be completed by the end of July 2009.