

*The BIC has made available the mid-term report prepared by ADB's Management on progress of the Grievance Redress and Settlement Committee (GRSC), as well as the comments of the Requesters on the mid-term report. In doing so, the BIC does not accept responsibility for the accuracy of the contents of the mid-term report and the comments, or for the opinions expressed in them. These are the responsibility of the parties that prepared the report and the comments.*

September 4, 2003

Mr. Stephen Sedgwick,  
Chairman,  
Board Inspection Committee,  
Asian Development Bank,  
Manila.

**Re: Immediate Commencement of Inspection of the Chashma Right Bank Irrigation Project-Stage III (Loan: PAK 24268)**

Dear Mr. Sedgwick,

We are writing to request that the Board Inspection Committee immediately commence the inspection process of the Chashma Right Bank Irrigation Project Stage III ["Project"]. We believe the Grievance Redress and Settlement Committee (GRSC) has not shown any signs of real progress toward its goals of addressing resettlement, land acquisition and compensation issues. Inspection cannot be delayed further without serious prejudice to the affected people.

In March 2003, the Board Inspection Committee, while acknowledging that an inspection of the Project should be authorized, nevertheless recommended to the Board that the inspection should commence in December 2003, after the scheduled conclusion of operations by the GRSC. The majority of the Board Inspection Committee, however, also believed that "it is important... that *inspection not be delayed* if, despite goodwill on all sides, the grievance redress mechanism fails." (Report of the Board Inspection Committee, March 12, 2003, para. 101, emphasis added.) Based on reports from the Project area, we think that the grievance redress mechanism is in fact failing, and that an immediate commencement of the inspection process is warranted.

The ADB Management had proposed the establishment of the GRSC, hoping that it would bring about "expeditious, equitable, and cost-effective resolution of all pending issues under the Project and any other grievances under the Initial Complaint or Request." (Response of ADB Management to the Board Inspection Committee, February 2003, para. 18.) In reality, the GRSC does not appear to be bringing about anything other than false hopes, delays and frustration.

Even before the GRSC started operating fully, the Requesters noted, and communicated to the Board Inspection Committee, serious flaws in the composition, terms of reference, policy and legal framework, and decision-making framework of the GRSC (second Supplement to the Chashma Inspection Claim, February 2003). Since then, there have been few reports of improvement.

We would like to bring to your notice specific failures of the GRSC. First of all, the establishment of the GRSC was delayed by more than 40 days. It has then failed to launch and manage an effective mass contact campaign, and the majority of the villagers in the Project area are still unaware of its existence. Most importantly, the GRSC has relied on a flawed “customer approach” model, and has not made any serious effort to involve affected communities in genuine consultation processes. The GRSC has not held a single public hearing in the Project area. When the affected communities organized a public hearing on August 24, 2003, members of the GRSC did not attend, even though they had been properly informed and invited.

Furthermore, the GRSC has failed to prepare a comprehensive and participatory resettlement action plan. Similarly, the proposed studies on hill-torrents management plan have not yet started. The situation is no different with regard to the implementation of the Environmental Management Plan (EMP). That the EMP was prepared without any participatory and transparent consultation process is compounded by its failure to address major environmental issues such as flooding and siltation. In addition, we do not understand why the delayed implementation of the EMP is necessarily linked to, and seemingly justified by, the delay of the National Drainage Sector Plan (NDSP).

Another of the major failures of the GRSC is that conducting detailed technical studies and options assessments were not included in its scope. The recent flooding shows the importance of proper documentation of damage and harm: More than 300 houses were washed away, three persons died, and a breach occurred in the flood protection embankment of Sokkar village. Such damages will continue to occur if detailed technical studies and options assessment are not conducted.

Because the studies and assessment have not been conducted, the GRSC has no reliable and accurate data concerning involuntary displacement, land acquisition, flooding and other material and environmental damages. Figures on the amount of land to be acquired continue to change. The GRSC has not provided any accurate data on how much land is being submerged because of flooding in the west side of the main canal. Similarly, the GRSC has not presented any reliable information concerning project-induced flooding in the eastern riverine belt, while according to formal reports from the Project area, more than 80,000 acres of land in the riverine belt was severely flooded in the recent rains, and standing cotton crop was destroyed. The lack of reliable and accurate data not only makes it difficult to “cost” the redress and mitigation measures, but also may make the process vulnerable to corruption.

Finally, the GRSC has thus far failed to propose any implementation mechanism for its own recommendations. All of this projects a bleak outlook for the effectiveness of the GRSC’s activities in the remaining few months. Owing to these failures and limitations, local affected communities, along with the Requesters, supporting networks, and civil society organizations, reject the GRSC process, and demand an independent process for the documentation of livelihood and environmental losses suffered by the affected people.

The Requesters and affected people deserve access to a truly independent panel to examine ADB’s compliance with its policies. There is simply no good reason to further delay the commencement of an inspection, to keep raising expectations that are unlikely to be met, and to

tolerate even more negligence. Already, it has been well over a year since the Initial Complaint was sent to President Chino (May 28, 2002), and *more than three years* since the affected people first raised with the ADB the problems caused by the Project. Any more delay will only be detrimental to the affected communities.

For these reasons, we call on the Board Inspection Committee to begin the Chashma inspection process immediately.

Sincerely,

Zafar Iqbal Lund, Dera Ghazi Khan  
Ahsan Wagha, Dera Ghazi Khan  
Shafi Qiasrani, Dera Ghazi Khan  
Mohammad Nauman, Karachi  
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Cc: Board of Executive Directors, Asian Development Bank