

## **Board of Directors' Decision on Inspection Request–Samut Prakarn Wastewater Management Project (Loan Nos. 1410-THA and 1646-THA)**

2.1 The Board considered DOC.R50-02 and Addendum 1: Inspection Request? Samut Prakarn Wastewater Management Project (Loan Nos. 1410-THA and 1646-THA). The Board noted the Report of the Board Inspection Committee and, after discussion, approved the recommendations as follows:

- (i) The Board approved the Committee's recommendation 83(i) on ADB's commitment to being an active participant in both the discussions with the Klong Dan community and all other efforts mentioned in paragraph 166 of the Panel's Report with the clarification that this recommendation should be understood in the context of paragraphs 57, 58 and 81 of the Committee's Report, specifically:

“57. Paragraph 166(i) proposes that negotiations should be instituted to establish the extent of damages and “appropriate and adequate compensation” for those affected. Management's Response has correctly pointed out (in paragraph 54) that “an inspection is not a judicial process and its purpose is not to adjudicate awards for damages or make suggestions for the settlement of possible damages.” The Committee also agrees with paragraph 55 of Management's Response, which notes that the Government of Thailand is obliged (as a matter of Thai law and, by virtue of the loan documents for the project and ADB's resettlement policy) to make appropriate arrangements for the calculation and payment of adequate compensation to those affected by the Project and that it is ADB's job to ensure that ADB's resettlement policy is complied with.

58. The Committee notes however that the Panel's Report does not include any purported award of damages or any suggestion that the Panel regards it as part of the Panel's job to make one. Rather the Committee's interpretation of the Panel's recommendation is that ADB should be an active participant in the process of facilitating the proper assessment of damages by the Thai government and where relevant the award of appropriate compensation.

81. With respect to the recommendations in paragraph 166, Management acknowledged the merits of improving community participation. In this context Management noted that the Pollution Control Department is currently working on a compensation mechanism, in line with ADB's resettlement policy. Management will review progress on this matter every six months. Management further indicated that as an integral part of the EMP for the Samut Prakarn wastewater treatment plant, community liaison groups will be established to foster greater community involvement in the management and operation of the treatment

plant. Management indicated that work on establishing baseline data for socio-economic parameters; a mechanism for meaningful community involvement in the risk assessment of future problems; and a mechanism for timely public notifications is already under way. Management confirmed that while strictly speaking it will not be a partner in any negotiations, it is keen to be an active participant in these efforts.”

- (ii) The Board approved the recommendation 83(ii) that Management continue to monitor resettlement effects and to ensure that all legitimate concerns with respect to consultation with and participation by affected people are met and, to this end Management provide semi-annual reports on the status of implementation of the resettlement plan including payment of compensation; and
- (iii) The Board approved the recommendation 83(iii) that the Board note paragraph 56 of Management’s Response, in which it is stated that data and mechanisms for monitoring the social and environmental impacts have either already been developed and incorporated in the EMP or are being developed as recommended in the EMP; and that the Board instruct Management to provide semi-annual reports on:
  - a. the system for monitoring of socio-economic impacts, based on baseline data;
  - b. the progress in community involvement; and
  - c. problems associated with odor and effluent (if any), together with a description of measures taken.

2.2 The Board agreed that this Board decision in its entirety should be made public in an appropriate form.