

NGO Visit to the Asian Development Bank's
Chashma Right Bank Irrigation Project (CRBIP)
In Pakistan

December 2003

As requested by Mr Gadi, the Inspection Committee has made available the Chashma Trip Report prepared by the Bank Information Center, as well as the Annexes to the Report. In doing so, the Inspection Committee does not accept responsibility for the accuracy of the contents of the Report or for the opinions expressed in them. These are the responsibility of the parties that prepared the Report.

NGO Visit to the Asian Development Bank's Chashma Right Bank Irrigation Project (CRBIP) in Pakistan

December 2003

TRIP REPORT



March 2004

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ENVIRONMENTAL DEFENSE
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Cover photo: Jadeywali, the "ghost village"

All photos by Shannon Lawrence, Mishka Zaman, Ghulam Mustafa Talpur

I. Itinerary and Participants

December 11th

- Drive from Islamabad via Dera Ismail Khan and arrive in Taunsa sub-district, Punjab Province

December 12th

- Visits to villages:
 - Jadeywali
 - Haibatwali
 - Katehrawali
 - Mappal

December 13th

- Meeting with Officials from Punjab Irrigation Department (Executive Engineer and Sub-divisional Officer)
- Meeting with Saeed Khan, Patwari, Taunsa sub-district (Punjab Revenue Department)
- Visits to villages:
 - Laloo
 - Daira Din-Panah & flood-impacted fields
 - Langah & Shiranwah Drain
 - Mallana

December 14th

- Visit to villages:
 - Churkin & visit to flood-impacted fields
 - Phaggan Marral
 - Gat

December 15th

- Meeting with Mr. Saif-ur-Rehman (Director, HQ, CRBC, WAPDA) and Mr. Abdullah Querishi (WAPDA), Dera Ismail Khan
- Meeting with Justice (retd) Aqil Mirza (Chairman GRSC), GRSC HQ
- Return to Islamabad

December 16th

- Meeting with Mr. Sangpa Tamang (Head, ADB Portfolio Management Unit), ADB Pakistan Resident Mission

December 17th

- Meeting with Mr. Saeedullah Jan, Secretary, and Mr. Riaz Ahmad Khan, Additional Secretary, Ministry of Water & Power (WAPDA)

Participants

Mr. Naeem Iqbal, SUNGI Development Foundation, Pakistan

Mr. Ghulam Mustafa Talpur, ActionAid, Pakistan.

Mr. Mohammad Nauman, Inspection Requester and member CREED Alliance, Pakistan

Mr. Amar Mahmood, Koko Productions, Pakistan

Mr. Mushtaq Gadi, Inspection Requester and MAUJ, Pakistan

Mr. Shafi Qaisrani, Inspection Requester, Pakistan.

Ms. Shannon Lawrence, Environmental Defense, USA

Ms. Mishka Zaman, Bank Information Center, USA

II. Executive Summary

In December 2004, representatives from non-governmental organizations (NGOs) and civil society organizations in Pakistan and the United States visited the Chashma Right Bank Irrigation Project (CRBIP-III) area. The purpose of their visit was to document recent flooding impacts and to gather information regarding the performance of the Grievance Redress and Settlement Committee (GRSC).

The Asian Development Bank (ADB)-funded Chashma project consists of a 274-kilometer canal along the Indus River and numerous cross-drainage and distribution structures. The project has been implemented in three stages, since 1978. Villagers on the west side of the canal, in the command area, and on the east side (riverine belt) have had their land taken without compensation; have suffered from floods exacerbated by the project's design failures; and have endured the loss of drinking water schemes, crops, cultivable land, and access to health facilities. There is no Environmental Management Plan or Resettlement Plan for the project yet; CRBIP was scheduled to close in 2000 but has been extended, again, until the end of 2004.

Although villagers sought remedies from the Government of Pakistan and the ADB, most of their rights, and their demands, were effectively ignored. In November 2002, project-affected villagers and their representatives filed a request to the ADB's Board of Directors for an independent inspection of ADB's performance in the context of CRBIP-III. The inspection process was delayed, however, for a mechanism designed by the ADB and the Government to address some of the concerns of local people. Unfortunately, local people, including the requesters, were not asked if this mechanism – the Grievance Redress and Settlement Committee (GRSC) – seemed adequate to provide the remedies they had been seeking for years.

The GRSC, a top-down, unrepresentative committee with unclear authority and a limited mandate, was established in spite of the concerns of the requesters. The GRSC began its work more than two months late and has operated largely within a vacuum. Despite the clear emphasis on consultation, participation, and transparency in the GRSC's Terms of Reference (TOR), our field visit revealed that villagers knew little about its work, much less had received "redress" from the GRSC. At the time of our trip, the GRSC's mandate had nearly ended and most of its recommendations were supposed to have been implemented. However, the GRSC concluded its work at the end of 2003 without any action having been taken on its recommendations. There is also no clear plan for follow-up or monitoring. Disturbing conversations with GRSC, ADB, and Government officials revealed dispersed accountability for the outcome of the ADB-funded GRSC process.

In the absence of a comprehensive socio-economic survey for the project, the GRSC did provide the opportunity to collect at least some data on the project's environmental and social impacts. The more than 5,000 complaints that were received by the GRSC indicate the extent of problems and suffering in the project area. However, the GRSC recommendations do not adequately respond to the issues raised in these complaints; the complaints themselves should form the basis of any redress measures.

Despite the ADB's decision to delay the inspection process by eight months, and the misgivings of the requesters about the GRSC, the ADB has not ensured that the GRSC achieved its intended objectives as outlined in the TOR and its Work Plan. Furthermore, there is no clear commitment from the Government of Pakistan to implement the GRSC recommendations. As insufficient as the recommendations may be, the failure to implement these measures will be yet another injustice to the people who have been suffering as a result of the CRBIP-III project.

After the disappointing performance of the GRSC, the role of the ADB's inspection panel is especially critical. If the inspection is carried out independently and without constraining conditions imposed by the ADB or the Government, it should provide a long-awaited assessment of ADB's due diligence and project management performance in Chashma. Finally, any recommendations issued by the inspection panel should be translated into institutional lessons to ensure that other project-affected communities are not made to share the same fate as the Chashma affectees.

Recommendations

1. ADB should ensure that overdue compensation for land acquired over the past seven years is urgently provided – at market rates – to affected communities. ADB and the Government should ensure that the compensation process is free from corruption, and provide a “land-for-land” option to villagers.
2. ADB should work with affected communities to accurately and comprehensively document the impacts caused by the project, particularly the flooding impacts on both the west and east side of the canal. ADB should ensure that adequate compensation is provided to address these damages.
3. ADB should ensure that solutions for project-induced problems, such as incomplete FCCs and village-specific flood protection measures, are developed with village participation instead of imposed from above.
4. ADB should ensure that the delayed social and environment documents, such as the Environmental Management Plan, the Hill Torrents Management Plan, and the Resettlement Plan, are developed with full participation and in accordance with ADB policies.
5. ADB should not finance any water sector projects in Pakistan until it has addressed the legacy of Chashma and ensured that both ADB and the Government of Pakistan are in full compliance with relevant laws and policies.
6. ADB should ensure and facilitate a comprehensive and fair inspection process.

III. Introduction

The Asian Development Bank (ADB) is funding the third and final stage of the Chashma Right Bank Irrigation Project (CRBIP) in Pakistan, the first stage of which began in 1978. Under the project, a 274-kilometer (171-mile) canal has been constructed along the Indus River, beginning at the Chashma Barrage and cutting through the provinces of NWFP and Punjab. The project also includes the construction of 72 distribution canals, 68 cross-drainage structures, and 91 bridges.

ADB has been the main financier of the US\$450 million project, providing US\$308.1 million or 68% of the total project cost. KfW of Germany has provided US\$42.9 million in funding and the Government of Pakistan has picked up the remaining sum. Stage III (CRBIP-III) of the project is now 94 percent physically complete, and the ADB loan (initially due to close in September 2000) has been extended again — this time until December 31, 2004.

The implementation of the CRBIP project has caused a host of problems for local communities, including involuntary displacement and compensation disputes, flooding and water ponding, land degradation, deforestation, soil erosion, increased silt deposition, health problems and restricted mobility. For example, land acquisition for the project began in the mid-1990s, but many villagers have not yet received compensation. The planning and implementation phase of the project has been marked by a severe lack of transparency on the part of the ADB and Government of Pakistan; the uncertainty caused by the lack of transparency has made the affected communities even more vulnerable to the harm caused directly by the project.

In November 2002, local communities requested an independent inspection of the project to ADB's Board, alleging that the ADB had failed to comply with the institution's environment and social policies. The ADB Board of Directors authorized an inspection in April 2003; however, against the wishes of the inspection requesters and NGOs supporting their efforts, the Board voted to delay the commencement of the inspection until December 2003 to allow the Grievance Redress and Settlement Committee (GRSC), a domestic problem-solving process established by ADB and governed by Pakistani law, time to address some of the project's problems.

The GRSC, initially scheduled to commence work in March 2003 but delayed until May 2003, was to document and settle issues including land acquisition, resettlement, and compensation. Its Terms of Reference, however, revealed serious problems with this mechanism itself which in large part led to its failure. For example, of GRSC's eleven members, nine were affluent men who had little knowledge of how the project had impacted the lives of those they were meant to serve via the GRSC. Only two members were individuals from the project area, and even these individuals were prominent landowners, reportedly known for their alliances with government officials. With six other GRSC members representing executing agencies, and each member receiving one vote, it was highly unlikely that the views of the affected people would be reflected in the GRSC's decisions. Furthermore, with no female representation on the GRSC, the concerns of women in the project area were not adequately taken into account.

The recommendations proposed by the GRSC were to be based on Pakistani law and supplemented by the ADB's relevant policies only "where legally possible." Relevant Pakistani law, including the 1894 Land Acquisition Act, is largely out-of-date and inconsistent with ADB's policies. Moreover, Pakistani law does not include adequate provisions for resettlement with rehabilitation and indigenous peoples rights protection in accordance with ADB's social and environmental safeguards. For these reasons, local communities have questioned the effectiveness of the GRSC and the

inspection requesters, while encouraging project affectees to engage the GRSC, have not participated in its meetings.

Panel members for the delayed inspection were selected in December 2003 and the process itself commenced in February 2004. The Terms of Reference, in keeping with the 1995 Inspection Policy of the ADB under which the Chashma inspection is processed, require the ADB's Board Inspection Committee (BIC) to develop a draft Terms of Reference. A review of the BIC prepared Terms of Reference indicates that the inspection will be limited in scope and will not respond to all of the issues raised in the inspection request.

In December 2003, members of Pakistani and U.S. civil society organizations visited the Chashma project area to see firsthand the environmental and social impacts of the CRBIP project, and to independently assess the performance of the GRSC. The visit also provided a good opportunity for all the various civil society actors engaged in the Chashma campaign to come together and plan more effectively for the ADB's inspection process.

IV. Status of Environment and Social Safeguard Documents

More than a decade after CRBIP-III's approval, and more than three years beyond the project's originally scheduled closing date¹, a number of critical environmental and social safeguard requirements have still not been met. Despite the fact that land acquisition began more than seven years ago, no **Resettlement Action Plan** has been prepared for those who were moved to make way for the canal or for those considered to be endangered by flooding. Similarly, an **Environmental Management Plan** for CRBIP has not been implemented, despite requirements outlined in project documents for more than ten years. Additionally, a **Hill Torrents Management Plan**, to guide flood management based on the traditional *rowed-kohi* (hill torrents) system, has still not been produced. In more than 25 years of project implementation (including all three stages of CRBIP), a **comprehensive socio-economic survey** of the project area has not been undertaken. As such, there is no reliable source of baseline information to evaluate grievances, determine compensation and conduct benefit monitoring and evaluation. Moreover, the ADB has been largely concerned with the issue of flooding and resettlement on the west side of the main canal, while the severe flooding that recently began in the eastern riverine belt has been neither properly recognized, nor surveyed.² A number of houses and other livelihood resources have been destroyed in recent years as a result of flooding in the riverine belt, but there has been no assessment of these losses.

Environmental Management Plan

- **In 1991, the Appraisal document for CRBIP-III included a technical assistance (TA) component "to assist WAPDA in developing a comprehensive environmental monitoring and management plan for the CRBIP"** (p. 33). This TA called for the preparation of a post-evaluation Environmental Impact Assessment of Stages I and II and the completion of a baseline environmental survey for the remaining project area. From these analyses, a cumulative impact assessment and long-term environmental monitoring program and management plan were to be prepared within 18 months (p. 119, 122).

¹ The ADB loan was originally scheduled to close September 2000.

² ADB and the GRSC have so far only considered flooding in the riverine belt due to incomplete Flood Carrier Channels (FCCs) that do not reach the Indus River.

- The requirements outlined in the 1991 Appraisal document were not met. Apparently due to “a shortage of funds” for the CRBIP project³, in 1995 the CRBIP Environmental Management Plan (EMP) was incorporated as a requirement of the ADB’s National Drainage Project (NDP) for Pakistan. The transfer of the EMP component was made to ensure that NDP would finance “five of the most *urgent* mitigation measures” (emphasis added). However, in a March 2000 *Aide Memoire*, ADB notes: “since 1995 no work has been done. Since there are cost savings, it is proposed to consider proceeding with implementation of the EMP financed under the [CRBIP] Project.” (p. 7)
- ADB repeated the same conclusion one year later in its *March 2001 Aide Memoire*, but did not offer a solution or a plan to ensure implementation of the EMP, which has now been delayed for more than six years: “In view of previous shortage of project funds, it was decided in 1995 to implement the EMP under NDP. However, no activity has taken place since then. Since it is now clear that surplus project funds are available, it is recommended that these can be used to finance the EMP” (p. 6).
- In the *Mid-Term Report on Progress of the Grievance Redress Process*, the ADB once again notes that EMP implementation “has been delayed significantly” and claims – without providing any justification – that the target date of November 2002 “could not be met.” **In response to the more than seven-year delay of the critical environmental plan, ADB staff says merely that they are “following up”** (p. 7).
- A workshop was held in Pakistan on 10-11 February 2004 to discuss the draft EMP, again to be funded by NDP. Documentation from this workshop is not available. However, the requesters raised significant objections to the draft EMP and the way it is being funded. The requesters consider that preparing the EMP without first having a detailed and up-to-date environmental impact assessment violates both ADB policies and national environmental legislation. The draft EMP ignores important environmental issues such as flooding in the west side of the main canal and eastern riverine belt, soil and bank erosion of flood carrier channels, deforestation, excessive silt deposition, mobility, etc. The requesters have also raised their concerns about the implementation of institutional reforms proposed in the NDP loan agreement. According to Takashi Matsuo, Senior Project Specialist for CRBIP, “it is difficult to predict the timeframe [of EMP].”⁴

Resettlement Action Plan

- In the ADB’s 1996 *Back to Office Report* (BTOR) for CRBIP-III, the need for a Resettlement Action Plan (RAP) was identified. The *Social Survey and Action Plan* included a Terms of Reference (TOR) for consultants and the format of a RAP according to ADB’s “Guidelines for Incorporation of Social Dimensions in Bank Operations” and Involuntary Resettlement Policy. **The TOR prepared for the Social Survey and Action Plan in 1996 closely resembles the TOR approved for the GRSC in 2003. ADB apparently identified the need for a resettlement plan and a grievance mechanism during the project’s first years of implementation, but did not act to ensure its implementation until after an inspection request was filed.**
- ADB’s April 2001 *BTOR* for CRBIP-III reports: “Complaints about [land acquisition] are becoming overwhelming. ... Consultants were engaged to conduct a social survey of 12

³ ADB, 2000 *Aide Memoire*, p. 7

⁴ Email from ADB’s Takashi Matsuo to Mishka Zaman on January 28, 2004.

villages west of main canal that are threatened by flooding as a result of the project and determine their preference for flood protection or relocation. The report was submitted in Feb 2001 which concluded *that all but one of the villages wish to be relocated to the irrigation area on the eastern side of the main canal*. It is felt that the study did not fully address the terms of reference, and ADB has provided comments detailing what additional work is needed. *It requests the consultants to prepare a detailed and specific Flood Protection and Resettlement Plan ensuring there is adequate consultation with the affected people and the technical staff of the Project. The Mission stressed the need for urgent action since all villages are already prone to flash flooding with potential to endanger life when the flood season commences in about June. WAPDA has agreed to take swift action to address this issue*" (emphasis added, p. 2).

- Despite this call for "urgent action," ADB's May 2002 *BTOR* indicates that the problem has not been addressed: "...further actions are needed to minimize the adverse impacts on the affected people. Such actions should be consistent with the Involuntary Resettlement Policy of ADB. The Mission proposed (i) preparation of an action plan through detailed accounting of the progress on land acquisition and mitigation of flood risk, (ii) preparation of a comprehensive plan for resettlement, including alternative lands and sharing the project benefits with affected persons, and (iii) assisting implementation of the plan, to which WAPDA agreed in principle. The action plan would be prepared during June - August 2002 by one international consultant and several domestic consultants. Draft terms of reference are presented in Attachment B of the draft Aide Memoire" (p. 2). **The draft Terms of Reference presented in the May 2002 BTOR closely resembles the TOR approved for the Social Survey and Action Plan in 1996, and the TOR that ultimately established the GRSC in 2003. The ADB failed for more than six years to ensure that these plans were developed and that existing grievances were addressed. It appears that when the inspection request was filed, ADB recycled the TOR and presented it as the "solution" to these problems, rather than as an unfulfilled minimum requirement.**
- As the GRSC's tenure came to an end, and the long-standing and long-acknowledged problems with resettlement and land acquisition still remained, the ADB contracted another consultant in December 2004, supposedly to develop the Resettlement Action Plan. According to the Senior Project Specialist, "The participatory assessment specialist is currently carrying out a survey of all villages that are located in the flood-impact zone in the west of the main canal. The need for relocation of houses will be identified based on his findings. If found needed, then an action plan will be prepared."⁵
- The TORs for the GRSC also indicates that an indigenous peoples development plan would be prepared. However, the mid term and final reports on the GRSC are silent on this issue.

Hill Torrents Management Plan

- The Hill Torrent Management Plan was first discussed in the Chashma Stakeholders Dialogue Workshop held in March 2002. ADB, KfW, WAPDA and the Provincial Irrigation Department agreed that the plan would be developed through an independent and participatory process. Representatives of NGOs and local communities in the workshop emphasized the need for wider local consultations on various options for *rowed-kohi* management. However, ADB

⁵ Email from ADB's Takashi Matsuo to Mishka Zaman on January 28, 2004.

later informed the requesters that the Punjab Irrigation Department refused and instead decided to hire its own consultant to prepare the plan.

- The *Mid-Term Report on Progress of the Grievance Redress Process* stated that a Hill Torrents Management Plan would be prepared by Nov 2003, and that ADB would “consider financing this plan from the Project’s loan savings, estimated at \$24 million” (p. 7). The *Final Report on the Grievance Redress Process* states that Punjab Irrigation Department signed with consulting firm for the study, and that it is scheduled to finish in September 2004.
- **There has been no consultation with local people on the development of the Hill Torrents Management Plan, despite the critical need for local knowledge and understanding of the traditional *rowed-kohi* system to ensure effective and appropriate management and utilization of the hill torrents.**

V. Assessment of the Grievance Redress and Settlement Committee (GRSC)

The Grievance Redress and Settlement Committee (GRSC) was established by the ADB and the Government of Pakistan in February 2003. According to the ADB’s Terms of Reference (TOR) for the GRSC, the committee’s purpose is to “address and resolve expeditiously all pending claims for compensation and other assistance which may result from the Project, where legally possible.” The GRSC was not developed in consultation with the requesters or with project-affected people. In fact, the structure of the GRSC was predominantly outlined by ADB staff in a May 2002 *BTOR* in the “Terms of Reference for Preparation of a Resettlement Plan” (Attachment B, pp. 3-4).

The requesters rejected the GRSC from the outset because they believed that: 1) The GRSC was used by ADB Management and the Board to justify a delay in the inspection process (the requesters argued that an inspection should proceed first to determine what types of harm had been committed before any type of compensation/redress mechanism is implemented); 2) The GRSC was inadequate in terms of its mandate, scope, and authority to address the problems raised in the inspection request; and 3) The GRSC did not represent the views of affected communities (the “representatives” of affected peoples are powerful landowners who serve as the heads of district or union councils).⁶

Nevertheless, upon ADB Management’s request, the Board Inspection Committee voted to delay the Chashma inspection process for eight months, until the GRSC had completed its work. The ADB provided US\$250,000 in technical assistance funds to support the work of the GRSC.⁷ The GRSC initiated its work at the end of May 2003, more than two months behind schedule, and was given until December 2003 to complete its functions.

To discuss the work of the GRSC, we conducted meetings in 12 villages (with more than 100 villagers) in the Chashma project area, as well as with Mr. Sangpa Tamang, Head of ADB Portfolio

⁶ For more information, see “Supplement to the Chashma Inspection Claim” at <http://www.adb.org/Inspection/Projects/Chasma/appendix07.pdf>. Mr. Iftikhar Sanghi, the representative of local communities nominated by Nazim of D.G. Khan district, resigned from his membership in August 2003. Villagers stated that this was a result his departing from the political party of Mr. Laghari, the Nazim of D.G. Khan district, in August 2003. In the requesters’ view, the subsequent resignation of Mr. Sanghi was directly and indirectly related to these changes in local power structure that was the basis of the selection of the representatives of local communities.

⁷ Email from ADB’s Takashi Matsuo to Mishka Zaman, January 28, 2004.

Management Unit in Islamabad, Mr. Saeedullah Jan, the Secretary, and Mr. Riaz Ahmad Khan, the Additional Secretary, of the Ministry of Water and Power (WAPDA) in Islamabad, Mr. Muhammed Aqil Mirza, the Chairperson of the GRSC, and local and district officials from the Irrigation Department, the Revenue Department, and WAPDA.

Our overall assessment of GRSC performance is that the committee has failed to comply with the terms, objectives, and obligations of the ADB-supported TOR and the GRSC-designed Work Plan. The GRSC failed to consult extensively with project-affected people to identify their specific concerns and design participatory remedial measures. The GRSC also failed to ensure the implementation of even these pre-determined, insufficient recommendations, and to work transparently. The GRSC's poor performance reflects ongoing failures of ADB supervision and government implementation.

Village Participation and Consultation

According to the ADB's TOR for the GRSC and the Work Plan developed by the committee, transparency and participation were to guide the GRSC's activities in the project area. The GRSC was to develop and validate the Entitlement Matrix with the participation of local communities. To arrive at its recommendations, the GRSC was to seek a solution in consultation with villagers.

EXCERPTS FROM THE GRSC'S TOR AND WORK PLAN REGARDING PARTICIPATION AND CONSULTATION

"The Committee would establish its own working method that will follow the principles of participation, transparency, taking decisions on recommendations based on majority views of the members under a one member-one vote rule, documentation of all deliberations, public hearings and recommendations." *GRSC TOR*

"The Committee will document carefully all consultations, issues raised and remedial measures proposed that would be considered by it in arriving at its recommendations and views. The recommendations and views of the Committee will be disclosed to persons affected in a form and language(s) they can access, and to the wider public." *GRSC TOR*

"To clarify/verify grievances and identify possible remedial measures, [the GRSC will] conduct PRA among affected committees and communities on both banks affected to diagnose key outstanding issues and constraints." *GRSC TOR*

"On another level GRSC will acquire a programming role to design and recommend, as a result of participatory learning and consultation, social development, organization building and risk reduction actions in the command area, the West Bank and the river belt." *GRSC Work Plan*

"The members of GRSC will have a "customer orientation" towards affected persons communities and their representatives. They will always be willing to meet affected persons in their own communities. Public interest groups, the NGOs that have filed the complaint with ADB and affected persons organized as groups to seek redress will be invited to make presentations during scheduled Committee meetings or at a place of their choice within the Project area..." *GRSC Work Plan*

Entitlement matrix will be developed "from project record, public consultation, and special participatory investigations and assessments." *GRSC Work Plan*

"Conduct site visits to significantly impacted locations, consult with different categories of affected persons and validate the draft Entitlement Matrix." *GRSC Work Plan*

"Seek a solution, in close consultation with impacted communities, keeping in view the imminent threat to habitations not protected by flood embankment." *GRSC Work Plan*

"Conduct general public information and consultation meetings at focal points in the rest of the Project area. While considering focal points pay due attention to geographically remote communities." *GRSC Work Plan*

Despite the requirements of participation, consultation, and public outreach in its TOR and Work Plan, GRSC's contact with and outreach to villagers appears to have been insufficient. During our visits to villages located on the west side of the main canal, in the command area, and along the riverine belt, we observed a lack of awareness of the GRSC, its functions, and its recommendations issued nearly two months previously. The level of awareness of the GRSC and its activities varied (see Annex I), but only one villager (a local district official) had heard from the GRSC since filing a complaint – he received a list of the GRSC recommendations in the mail.

No one with whom we met had a full understanding of the purpose of the GRSC, the status of their complaint, the Entitlement Matrix, and the final GRSC recommendations. At the time of our visit, most of the recommendations, issued two months previously, were supposed to have been implemented. None of the villagers we met with had received compensation or remedies based upon the GRSC's recommendations. If villagers were aware of the GRSC, most had not seen or heard from the committee for at least three to four months.

While ADB's reports on the GRSC have emphasized its public information campaign, including advertising in newspapers and circulating handbills, the committee's ability to reach out with those methods is clearly limited. **It seems that the GRSC pursued a one-way communication/information dissemination strategy, but did not have sufficient face-to-face discussions to arrive at solutions together with affectees.**

Meeting with GRSC Chairperson

Given this lack of awareness in the project area, when we met with the GRSC chairperson we requested a written or oral summary of village meetings, consultations, or public forums that had been conducted as outlined in the TOR and Work Plan. The chairperson at first told us that he could not provide us with a record of these visits because the GRSC decided not to release this information. He then said that the records were actually locked in the office of the consultant who had been fired.⁸ He assured us that if he had access to the office, he would share the records with us. The GRSC chairperson was unable to name any public forums that had been held, other than the initial public meeting in Taunsa. He indicated that he was not keeping track of the village visits or activities of the other consultants: **"It's not possible for all these people [the two other GRSC consultants] working in different places to come together. The TOR should not be read in a literal sense (not word-for-word). It is only for a general idea."**

For example, the chairperson said that they invited villagers from Katehrawali to come to meet the GRSC in its office in D.I. Khan (which is located approximately 2 hours by car from the village), but the people never came. When we asked why the GRSC did not go directly to the village as requested, the Chairperson told us that it was not advisable because it was reported that "these people were violent."⁹

According to the ADB project specialist, "We received from GRSC a rough record that indicates dates and locations of consultations. Disclosure of information on GRSC follows the provisions in the MOU and TOR, **and GRSC did not wish to disclose other records than their reports to the public.**"¹⁰ Despite the clear TOR requirement that transparency and participation guide GRSC's

⁸ Mr. Abdul Wahab, the GRSC's consultant for land acquisition and compensation, was fired in August 2003. Even before the termination of his services, he formally filed a complaint alleging that ADB staff had violated his contract. He also alleged that the GRSC process was marred with corruption.

⁹ According to our discussion with villagers, GRSC members visited their village once in October 2003.

¹⁰ Email from Takashi Matsuo to Mishka Zaman, January 28, 2004.

operation, ADB notes in its *Final Report of the Grievance Redress Process* that it considers the process to have been "satisfactory." The Final Report lists general categories of villages visited by the ADB, which in fact contradicts in some cases the accounts we received in the field (see Annex I).

Entitlement Matrix and Recommendations

The TOR and the Work Plan for the GRSC required that the Entitlement Matrix be developed and validated through village consultations and that the GRSC recommendations reflect solutions arrived at in consultation with local people. However, the Entitlement Matrix closely resembles a model proposed in the ADB's May 2002 *Back to Office Report*. The "draft matrix" was developed by GRSC only three weeks after its constitution. In its *Mid-Term Report on the Grievance Redress Process*, ADB compliments the GRSC for its preparation of the Entitlement Matrix, as it "comprehensively covers the losses by Project affected people and includes a number of innovative measures" (p. 5). According to the chairperson, the GRSC heard from "representatives and had some idea of what were grievances of people. Then we went into the field to meet with people (after making so many consultations) developed matrix with nine categories of loss." **None of the villagers we met with had heard of or been involved in any consultations or discussions regarding the Entitlement Matrix.**

From some of our visits, particularly to villages located near incomplete Flood Carrier Channels (FCCs), it was clear that villagers had devised consensus-based solutions on their own. However, these solutions were not reflected in the GRSC recommendations. When we posed this question to the GRSC chairperson, he replied: "We made recommendations on the basis of pragmatism. It is not feasible and not functional to do this in a small way with the short time give to us. We cannot go see if the FCC goes this way or that – that's engineers' work. We could not ask people. That would not be feasible."

In closing, the GRSC chairperson cautioned us against a literal interpretation of the TOR: "The TOR needs to be interpreted as consultation on the issues, not on the details. We discussed the issues and then there is no need to discuss further. We asked people to come see us, and nobody came. I myself comprehended it. I have large experience. We placed ourselves in their place and we visualized it."

ADB Supervision

The GRSC issued its recommendations on October 15, 2003. However, despite the proclaimed urgency of providing redress to affected people, the meeting to discuss these recommendations with the ADB, government officials, and the GRSC was not convened until December 8 – barely three weeks before the termination of the GRSC and only four days before the majority of the GRSC recommendations were supposed to have been implemented. **Therefore, even as the GRSC's contract ended on December 31, 2003, no action had been taken to provide compensation or redress to villagers in the Chashma project area (as of a meeting held February 9, 2004, the situation remained the same, according to the ADB's *Final Report on the Grievance Redress Process*).**

In fact, the ADB has now decided to field three new consultants for gender and social development, irrigation management, and participatory assessment in the flood impact zone to participatory assessment specialist, and irrigation management specialist, "to work specific proposals that supplement GRSC's recommendations."¹¹

¹¹ Email from Takashi Matsuo to Mishka Zaman, January 28, 2004.

EXCERPTS FROM GRSC TOR AND WORK PLAN REGARDING IMPLEMENTATION

"Prepare a plan for monitoring and evaluation of the key milestones and review upon completion to ensure that all remaining issues have been addressed by 31st October 2003." *GRSC TOR*

"Monitoring on implementation of Committee's recommendations; certified as completed by the Committee, with report to ADB – within eight months for the date of its constitution." *GRSC TOR*

"The Committee will recommend appropriate steps for redress of grievances when pointed out by the affectees. Pakistan's policies and legal framework, including but not limited to the Land Acquisition Act, will provide the fundamental legal basis for the Committee's recommendations, which will be supplemented by ADB's relevant policies."

The future of the GRSC recommendations is unclear.¹² ADB acknowledges in *its Mid-Term Report on the Grievance Redress Process* that the "main risk to future progress is possible reluctance within the Government to implement the GRSC's recommendations, despite the commitments thus far demonstrated to the Government to ADB" (p. 5). With the termination of the GRSC, it is not clear how ADB intends to monitor the government's compliance with GRSC recommendations. The ADB's *Final Report on the Grievance Redress Process* from February 2004 notes, "If the recommendations accepted by the government are fully and promptly implemented, the Project-affected persons will be measurably better off than would have been the case without GRSC. Although the Government has not accepted all of GRSC's recommendations, ADB will continue its dialogue with the Government on the implementation of all GRSC recommendations and all other remedial measures...." (p. 12).

The GRSC has not functioned according to its TOR and Work Plan, and even the imperfect remedies offered by its delayed recommendations have no guarantee of being implemented. The ADB's failure to adequately supervise the GRSC process is indicative of broader supervision failures throughout the Chashma project, including the failure to ensure that required environmental and social plans are developed (see Section IV). One clear supervision failure that has affected the work of the GRSC, and most importantly, affected the ability of villagers to seek efficient remedies for land losses, is the lack of clarity regarding total land acquisition figures and the payment of overdue compensation.

Land Acquisition and Compensation

ADB's *Mid-Term Report on the Grievance Redress Process* reports "In May 2003, WAPDA informed ADB that the total area for acquisition in Punjab had decreased from 13,442 acres to about 9,500 acres due to difference between the rough initial estimate and the accurate survey result that only became available recently. ADB was surprised by this sudden change by 29% at such an advanced stage of the Project. The area should have been estimated based on the detailed design survey at an earlier Project stage and, moreover, civil works were essentially completed more than a year ago. ADB has requested that WAPDA provide a more specific explanation for the decrease." Six months later, ADB's Senior Project Specialist notes "The Government has not responded in written

¹² The chairperson of the GRSC was skeptical of the government's commitment to the process. The representative we met from the provincial Revenue Department, the agency in charge of compensation payments, said that they did not recognize the legitimacy of the GRSC and would only follow the national Land Acquisition Act. Other WAPDA officials did not see the need for the process, arguing that consensus is not necessary when they have the police and the Land Acquisition Act. At the national level, however, WAPDA declared that the "GRSC has the last word" and that his "primary concern was the affectees." This proclamation has yet to be tested. There appears to be no clear chain of accountability for the implementation of the recommendations across the different government agencies and levels.

communications. However, WAPDA explained verbally in a meeting that the figure that was earlier cited by WAPDA's reports was of an estimate made at early stage and in the course of actual land acquisition the exact figure became available. We complained WAPDA's reporting a rough figure for a long time."¹³ **It is unclear how this "rough" land acquisition estimate prevailed throughout nearly the entire acquisition and construction phase and was only revised to an "actual" figure once the project was more than 95 % complete.**

As noted in the ADB's reports on the GRSC, compensation payments have been slow, checks have been issued but not delivered, and the process has been fraught with corruption, according to a number of villagers (see Annex I). **By the end of January 2004, only 67% of compensation awards in NWFP and 92% (based on revised "actual" estimates) of total land compensation awards had been announced in Punjab.**¹⁴ **Therefore, the compensation process has still not been completed despite the fact the project was scheduled due to close (following an earlier extension) in December 2003.**

Although the GRSC was supposed to develop recommendations based on Pakistani law and on ADB policies, the chairperson was only able to explain to us how closely the recommendations followed Pakistan's Land Acquisition Act (1894). **There has been no assessment of how or if GRSC recommendations have taken ADB policies into account, as required.** In fact, when the Senior Project Specialist was asked whether or not ADB policies have been incorporated into the development of the Entitlement Matrix and GRSC recommendations, he replied: "We consider yes to the extent possible. As this is a post-project exercise, procedural requirements at project preparation stage couldn't be followed."¹⁵

Of course, if procedural requirements at project preparation stage had been followed, there may not have been a need for the GRSC or for the inspection process. More importantly, villagers in the CRBIP project area might not be suffering from such dramatic project-induced losses of land and livelihoods, as detailed in the following section.

VI. Summary of Flooding Impacts¹⁶

Our meetings with villagers revealed that the August 2003 monsoon rains had caused significant damage, especially to those living in the riverine belt. **Villagers attributed the increased ferocity of the floods to the changes in rowed kohi flows caused by the project.** The main canal, which runs along the Indus River and the Indus Highway, cuts through the paths of more than 150 natural hill torrents which emanate from the mountain range to the west. Flood carrier channels (FCCs) built as part of the project, are supposed to carry the water flows from these torrents into the main canal, or over and under the main canal to channel the water to the eastern side of the canal (which includes the riverine belt). However, some FCCs block certain hill-torrent flows and others end abruptly before reaching the river. To make way for the project, a number of hill torrents were combined into a single channel, increasing the amount and the force of the water and causing massive erosion and silt deposition.

¹³ Email from Takashi Matsuo to Mishka Zaman, January 28, 2004.

¹⁴ Asian Development Bank, *Final Report on Grievance Redress Process*, February 2004, p. 8.

¹⁵ Email from Takashi Matsuo to Mishka Zaman, January 28, 2004.

¹⁶ For details, see Annex 1 "Notes of Village Meetings" which describes impacts of the project on each village visited in greater detail.

Flood Stories

I was waiting for water so I could cultivate my crops. But when the water came it took away my house and the entire crop I had sown. Now we don't have even enough food to eat and have no other source of livelihood. All our livestock grazing grounds have been destroyed and under duress we have had to sell our livestock. A few of our family members have gone to Pindi (Rawalpindi) to work; when they send us some money we buy dana (food), otherwise we do not have food to eat.

It is not just this year, as we are under permanent threat of this kind of situation and do not know what to do. Some people have left their villages, but we do not have other places to go and settle. The Government has destroyed us; they released rowed kohi water in our villages like someone releasing a cat among hen.

Aashique Hussain of Langah village

Communities we visited on the eastern side of the Chashma canal, and especially in the riverine belt, pointed to the traditional *rowed-kohi nullahs* (hill torrent streams) as major contributors to the flooding. Villages in Laloo, Daira Din-Paneh, Langah, Churkin, and Gat pointed out that certain traditional *rowed-kohi nullahs*, such as the Sanghar, Tirana and Vahuwah, receive a much higher volume of water after the construction of the canal, as the *rowed-kohi* water is no longer being utilized in the canal command area, so the excess water flows directly to the riverine belt. When these hill torrents received the collective run-off from monsoon rains in August 2003, their destructive force was enhanced. The hill torrents broke through their mud banks and dumped water into fields which were still planted with the cotton crop. Villages were not spared either, and many huts and mud settlements collapsed or were damaged.



Flooding damage in riverine belt

Flood Stories

A resident of Laloo village recounted for us the night of the August flood. He was still out tending his fields and had to climb a tree to avoid the gushing onslaught of water. He could see that besides destroying his cotton crop, the water was heading towards his village where he knew the mud houses would not be able to sustain its pressure and would crumble. He spent the entire night in that tree, worrying about his family and relatives. While walking home early the next morning after the flood had passed, he was filled with worry and imagined "what if my house was washed away and my loved ones are no more?"

Villagers have described the extent of the flood damages in petitions they have submitted to the local government councils and also to the GRSC. **Despite these submissions, neither the local officials, elected council members, nor the GRSC has conducted a comprehensive survey of flood-related damages that have been directly caused by the project.**

Moreover, villagers clearly feared that any forthcoming rainy season (such as the March-April rains) would lead to yet more flooding disasters. The villagers were therefore hesitant to plant their wheat crop. Many of them had sustained crop damages in August and had borrowed from the National Agriculture Development Bank to keep their farms intact. With the Agriculture Development Bank and other creditors demanding repayment, farmers were especially fearful of suffering additional crop losses and accruing more debt. Besides spending money for agriculture inputs, such as seed and fertilizer, farmers also had to hire tractors and other machinery to level and plow the soil in the fields that had cracked and hardened under the ponded floodwater.

Flood Stories

Before the construction of Chashma canal, the water of Sanghar rowed kohi was used by people living upstream for cultivation. Now these people use the canal water and have no need to divert rowed kohi water. So the entire rowed kohi water is flowing downstream. In the meantime, the government also channeled the rowed kohi water into the Sanghar (hill torrent) by constructing bunds (embankments), making it unmanageable for us to cope with the higher water flow. Previously we received less amount of water as it was saved and used by upstream users and we were able to divert it to cultivate our fields and could manage it. During the current season the unmanageable floodwater has taken away our houses and crops.

Faiz Mohammad of Langah village



Faiz Mohammad

The forceful floodwater had also eroded the surrounding hills that, in many instances, served as the only natural protective barrier between the hill torrents and the villages. In Gat village, we saw how near the edge of the eroded ravine was to the homes. These villagers have suffered from the twin onslaught of water diverted towards their village by both Distributary Canal number 28 and the Vahuwa hill torrent. They mentioned that approximately 100 acres of land had been carried away by the combined force of water releases from these two sources. They believed a spur was needed to control the floods and prevent the loss of approximately 15-20 acres of land every year to erosion. The villagers had submitted an application to this effect to the relevant authorities six months previously, but had not received a response. The GRSC did not visit this village.



Erosion at Gat village

Summary of Type of Damages Caused by August 2003 Floods

- Destruction of standing cotton crop causing loss of income and food insecurity
- Arable acreage eroded, degraded and carried away by water
- Grazing land lost to ponded water, causing destruction of fodder and leading to selling of livestock
- Homes and other settlements washed away
- Tubewells and drinking water schemes washed away
- Reluctance to plant next seasonal crop, leading to further loss of income
- Indebtedness, caused by attempts to cope with flood losses and purchases of inputs for next cropping season (including hiring of tractors and other farm machinery to prepare fields), while no income was received from the previous crop
- Increase in women's labor
- Migration of men to cities as day laborers to earn enough to feed families and repay debts
- Restricted mobility during floods, with some villages cut off from essential facilities such as hospitals

The women of the flood-affected communities have additional burdens to contend with besides the loss of livelihoods and income suffered by their families. Many of the drinking water schemes, such as the four in Churkin, were lost to the floods. As a result, women's workloads have dramatically increased because of the longer distance they have to walk to fetch water. Moreover, the new sources of water are unclean and have caused stomach illnesses mostly among the young children, placing more demands on women's time and meager finances.

West Side

On the west side of the main canal, floods have caused problems of a different sort. Here, the canal and its embankments have blocked floodwater from flowing freely towards the river on the eastern side. Thanks in part to the significant design failures of superpassages and other structures, the trapped floodwater remains ponded on the farmers' land for months. For example, land traditionally used for grazing around Katehrawali village was still covered by floodwater.



Ponded water on the west side of the canal

Flood Stories

My grandfather died at the age of 120 and I dug his grave; I am also an old man in my 70s. I have never heard from my parents that Rowed Kohi flooded our villages in the past. We have not observed any single flood in and around our village in my lifetime.

Last summer, the Patwari came and asked us pack up our belongings and leave the village in one day; if we did not do as he said, the village would be bulldozed. The officials wanted us to move and resettle on the east side of Chashma canal. We have been living in Jadeywali for the last couple of hundred years and so we questioned them. They were of the view that our village was in the range of floods; we told them of our experience of the last several decades and tried to convince them that we have been and would be safe in any Rowed Kohi flood.

We have been pressured for the last couple of years to leave our ancestral houses but we have refused. Some people have moved and are living with relatives and friends, but we will not leave our village and we told the officials, do not worry about us during flood.

Sher Mohammad of village Jadeywali

What do the flood-affected communities want?

The communities we visited showed remarkable tenacity and resourcefulness despite the damages they had suffered. They asked that the Government and/or the GRSC provide compensation for their flood losses, based on what they have documented in their complaints and petitions. Many villages had very clear ideas about how floodwater could be better managed and had arrived at consensus internally about ways to work with the Government to prevent future flood damage. All of the villagers we met wanted the large *rowed kohis*, such as Sanghar and Vahuwah, to be designated as FCCs so that these could be concrete-lined and extended to the Indus River. In addition, villagers demanded that the Irrigation Department develop a plan to manage this new hill torrent regime – which was created by the Chashma canal – more effectively.

Additionally, communities in the riverine belt insisted that existing FCCs be extended to the Indus River – a design failure whose remedy is long overdue. The final report on the GRSC indicates that WAPDA surveyed the incomplete FCCs, but information is not available on the outcome of these surveys. However, local communities were not informed of these surveys nor they were consulted in this process. Without the involvement and participation of local communities, any extension of the incomplete FCCs will likely lead to further social and environmental problems.

VII. Conclusion and Recommendations

The closure of the CRBIP-III project has been delayed for more than three years. In this three-year period, the ADB has attempted to respond to the issues raised by the affected communities and the requesters by fielding numerous missions from ADB headquarters and by delaying the inspection process so as to establish the GRSC. The GRSC concluded its tenure on December 31, 2003, leaving its job largely unfinished and having failed to comply with its TOR. A lack of participation by project-affected people and a penchant for relying on material developed by previous ADB missions or Pakistani law seems to have characterized the GRSC experience. The GRSC process appears to have been a failure. In fact, the ADB itself tacitly acknowledges this failure as it recruits yet another set of consultants to document the same issues that the GRSC was meant to address.

Our visit clearly showed that villagers are confronting a number of project-related problems for which no acceptable solutions have been found – neither by the ADB, the Government, nor the GRSC. Indeed, the GRSC did not even document the flooding damages suffered by villagers in the riverine belt. Since substantial and major grievances remain, the over 5,000 complaints submitted by project-affected people at the GRSC's request should form the basis of any future remedial action.

After the disappointing performance of the GRSC, the role of the inspection panel is especially critical. If the inspection is carried out independently and without constraining conditions imposed by the ADB or the Government, it should provide a long-awaited assessment of ADB's due diligence and project management performance in Chashma. Finally, any recommendations issued by the inspection panel should be translated into institutional lessons to ensure that other project-affected communities are not made to share the same fate as the Chashma affectees.

Recommendations

7. ADB should ensure that overdue compensation for land acquired over the past seven years is urgently provided – at market rates – to affected communities. ADB and the Government should ensure that the compensation process is free from corruption, and provide a “land-for-land” option to villagers.
8. ADB should work with affected communities to accurately and comprehensively document the impacts caused by the project, particularly the flooding impacts on both the west and east side of the canal. ADB should ensure that adequate compensation is provided to address these damages.
9. ADB should ensure that solutions for project-induced problems, such as incomplete FCCs and village-specific flood protection measures, are developed with village participation instead of imposed from above.
10. ADB should ensure that the delayed social and environment documents, such as the Environmental Management Plan, the Hill Torrents Management Plan, and the Resettlement Plan, are developed with full participation and in accordance with ADB policies.
11. ADB should not finance any water sector projects in Pakistan until it has addressed the legacy of Chashma and ensured that both ADB and the Government of Pakistan are in full compliance with relevant laws and policies.
12. ADB should ensure and facilitate a comprehensive and fair inspection process.