

**ASIAN DEVELOPMENT BANK**

**FINAL REPORT  
OF THE  
SPECIAL PROJECT FACILITATOR  
ON THE  
NATIONAL HIGHWAY DEVELOPMENT SECTOR INVESTMENT PROGRAM  
IN  
PAKISTAN**

**ADB Loans 2210(SF)-PAK and 2231-PAK**

(complaint received 9 September 2006)

March 2010

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
AP	–	affected person
BoR	–	Board of Revenue
CWTC	–	Transport and Communication Division, Central and West Asia Department
GRC	–	Grievance Redress Committee
NHA	–	National Housing Authority
NHDSIP	–	National Highway Development Sector Investment Program
OSPF	–	Office of the Special Project Facilitator
RAR	–	review and assessment report
RP	–	resettlement plan

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## EXECUTIVE SUMMARY

The National Highway Development Sector Investment Program (NHDSIP) in Pakistan aims to establish regional connectivity and promote economic growth by (i) strengthening the institutional capacity of the National Highway Authority (NHA), (ii) enhancing policies in the road sector, and (iii) improving critical bottleneck sections of the national highway network. Its investment program is structured into three batches of subprojects, with the first batch comprising three sample subprojects totaling 376 kilometers. One of the project locations under the first batch is National Highway No. 70 (N-70) from Multan to Muzaffargarh, Punjab. The loan agreements were signed on 14 June 2006, and the loans became effective on 27 July 2006. The Transport and Communication Division (CWTC) of the Central and West Asia Department is administering the NHDSIP.

The Office of the Special Project Facilitator (OSPF) received a complaint from affected persons (APs), the “Committee of Affectees of Muzaffargarh Bypass” (the complainants) comprising 53 members, on 9 September 2006 and declared it eligible for the Consultation Phase of the Accountability Mechanism on 29 January 2007. The complainants expressed concerns that the Muzaffargarh Bypass would cause their displacement, that transparency was lacking in the process of land acquisition and resettlement, and that full compensation for their losses was not assured. OSPF reviewed and assessed these concerns, and found that all parties (complainants, NHA, and CWTC) agreed that there was a need to (i) explain principles, guidelines, and the basis for decision making on the current alignment of the bypass; and (ii) provide systematic, timely, and appropriate information to the complainants. OSPF also found the three parties involved willing to pursue a solution to the complainants’ problems. The NHDSIP and its resettlement plan were in their early stages of implementation, and no physical harm had been done yet. Systematic and appropriate information, and consultations at this stage, seemed to be the key to problem solving. OSPF conducted a joint 1-day stakeholder consultation in the second week of May 2007, wherein the parties 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 compensation rates, methods of calculation, explanations, and collection of applications for higher rates, and (iv) the disclosure of the revised RP before a last round of consultations with APs would be held. The agreement included following the CWTC-NHA time-bound action plan for the implementation of the resettlement plan.

Between May 2007 and end of July 2008, OSPF was in close contact with the complainants, NHA, and CWTC to monitor the agreement. CWTC also had a local monitor in the field, who provided regular reports to the resettlement specialist at headquarters. In addition, CWTC fielded missions regularly to advise and guide NHA in its efforts to prepare a revised resettlement plan and implement the action plan. The Board of Revenue reassessed the land and corrected the earlier assessment considerably in favor of the complainants. The disbursement of compensation started on 6 June 2008 and was completed on 17 July 2008. The last mission, conducted by the OSPF consultant, took place from 30 September to 1 October 2009 and confirmed the completion of the two underpasses.



## I. BACKGROUND

### A. The Project

1. The National Highway Development Sector Investment Program (NHDSIP)<sup>1</sup> in Pakistan aims to establish regional connectivity and promote economic growth by (i) strengthening institutional capacity of the National Highway Authority (NHA), (ii) enhancing policies in the road sector, and (iii) improving critical bottleneck sections of the national highway network. Its investment program is structured into three batches of subprojects, with the first batch comprising three sample subprojects totaling 376 kilometers. One of the project locations under the first batch is National Highway No. 70 (N-70) from Multan to Muzaffargarh, Punjab. The loan agreements were signed on 14 June 2006, and the loans became effective on 27 July 2006. The Transport and Communication Division (CWTC) of the Central and West Asia Department is administering the NHDSIP. A draft resettlement plan (RP), prepared by NHA and based on detailed designs of subproject N-70 Multan-Muzaffargarh dated July 2005, included the N-70 Multan-Muzaffargarh subproject road and bypass, and mentioned that land had to be acquired for the new bypass.

### B. The Complaint

2. The Office of the Special Project Facilitator (OSPF) received an e-mail from affected persons (APs) on 9 September 2006.<sup>2</sup> OSPF acknowledged receipt and dispatched a set of brochures, including OSPF's field guide in Urdu, to clarify the procedures and to support the APs' decision making. The APs acknowledged receipt of the package on 29 September 2006 but did not confirm that they wanted their communication to be treated as a complaint. On 10 November 2006, OSPF received by courier a package containing a letter in Urdu and a list with signatures: minutes of a meeting held by APs and the list of participants in that meeting. Another e-mail followed expressing concerns about NHA's increased activities in their area. OSPF was not entirely sure that its communication was understood by the recipients and decided to field a local consultant with the objectives to (i) conduct a preliminary assessment of the complaint in the field, including progress made by the government and CWTC to resolve the issues; and (ii) advise and guide the complainants on OSPF procedures.

3. The consultant established contact with NHA and the APs, conducted meetings with both, visited the project area between 22 and 27 December 2006, and submitted his report at the end of December 2006. He confirmed that the APs wanted their communication with OSPF to be considered as a complaint and that they did not request for confidentiality. He confirmed that a group of APs belonging to (i) the village of Basti Gujja, Mauza Doaba; (ii) the village of Basti Hanjranwali, Mauza Taleri; and (iii) a settlement near Mahmood Textile Mills, Mauza Taleri, had expressed their concern that the Muzaffargarh Bypass, which was part of the improvement of the N-70 Multan-Muzaffargarh road, would cause their displacement. The group, calling itself the "Committee of Affectees of Muzaffargarh Bypass" (the complainants), had 53 members.

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<sup>1</sup> Loans 2210-PAK(SF) and 2231-PAK for \$773 million, approved on 13 December 2005 and 15 February 2006, respectively. The loan agreements were signed on 14 June 2006, and the loans became effective on 27 July 2006. 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 does not intend to make any judgments as to the legal or other status of any territory or area.

<sup>2</sup> <http://www.adb.org/SPF/Documents/complaint-letter.pdf>

4. The complainants requested (i) alternate alignments to avoid their displacement; (ii) full transparency in the process of land acquisition and resettlement, and detailed information about the ongoing activities in land acquisition and resettlement; and (iii) full compensation for land and other property according to market value, in one installment, and before taking possession of the land.

### **C. Determination of Eligibility**

5. An eligibility check, including a visit to the project area and discussions with the executing agency, the implementing agency, and the complainants, took place on 23-27 January 2007. OSPF declared the complaint eligible for the Consultation Phase of the Accountability Mechanism on 29 January 2007, and informed the complainants and CWTC accordingly. The complainants reconfirmed that confidentiality was not an issue.

## **II. REVIEW AND ASSESSMENT**

### **A. Methodology**

6. The review and assessment included (i) the OSPF consultant's Pre-Eligibility Screening Report;<sup>3</sup> (ii) documents provided by the complainants; (iii) the draft RP; (iv) the results of OSPF's eligibility mission, including in-depth discussions with the complainants and NHA and onsite visits; and (v) the results of CWTC's Special Review Mission from 29 January to 3 February 2007.

### **B. Identification of Issues**

7. The review and assessment report (RAR)<sup>4</sup> identified as issues (i) the realignment of the bypass, (ii) resettlement and compensation for losses, and (iii) information and consultation.

#### **1. Realignment of the Bypass**

8. The complainants requested NHA and CWTC to consider a change in the alignment of the bypass to avoid destruction of their houses and other properties. They claimed that they had not been informed of a decision regarding their request. However, they felt that activities observed in recent months—(i) fixing of boundary markers for the alignment of the bypass, (ii) publication of a notice for the acquisition of the land in the *Punjab Gazette*, and (iii) fixing of notices at their residences—effectively meant that their request for a change in the alignment had been rejected.

9. According to information from NHA, other road alignment options were considered during the detailed design of the bypass; but it seemed that (i) the north side of the existing alignment was constrained by the railway and the station, (ii) houses and small shops were located along the existing alignment at Gujja Basti, (iii) a large textile factory was located along the existing road alignment, (iv) the route along the high sand dunes was technically and socially not feasible, and (v) the complainants' suggestion to shift the alignment 200 meters to the south would affect other communities.

<sup>3</sup> <http://www.adb.org/SPF/Documents/Complaint-Enquiry-Final.pdf>

<sup>4</sup> [www.adb.org/SPF/rar-eng.pdf](http://www.adb.org/SPF/rar-eng.pdf), and [www.adb.org/Documents/Translation/Urdu/rar-urdu.pdf](http://www.adb.org/Documents/Translation/Urdu/rar-urdu.pdf).

## 2. Resettlement and Compensation for Losses

10. The complainants were worried about losing their livelihoods if the bypass could not be realigned. They were afraid that the compensation would not be paid, or not on time, or in installments only. They requested to be appropriately and fairly compensated, but had not been informed until that time how much they would be given. Women<sup>5</sup> did not understand why the government was not using its own land. Women thought that they would be facing misery once the bypass would be constructed. They said that they had no place to go, no place to live. Imagining their village surrounded by a four-lane highway and a bypass, they wondered how their children could reach school safely or how their cattle would be able to cross those busy roads in the future.

11. NHA told OSPF that the detailed compensation assessments were ongoing and could not be made public before approval by the authorities. There was agreement between NHA and CWTC that land acquisition and resettlement would proceed in accordance with applicable laws and the Asian Development Bank's (ADB) policy on involuntary resettlement, as well as in accordance with the resettlement framework and RP. CWTC advised NHA on 29 January 2007 not to proceed with civil works before the land acquisition and resettlement issues were resolved.

## 3. Information and Consultation

12. The complainants felt that they had not received proper and full information in the past. Sometimes, they read about the bypass in a newspaper article, or there were visits from government employees from time to time, from which someone picked up a bit of news. The complainants had tried to receive detailed information from NHA, but reported that they were not provided with written responses to their requests.

13. The NHDSIP Project Director, Multan expressed his willingness to start a formal consultation process and assured OSPF that APs would be appropriately informed. CWTC and NHA agreed that NHA would follow the appropriate processes. CWTC confirmed with NHA that grievance procedures would be set up as a priority, and their proper functioning would be assured.

## C. Findings and Recommendations

14. **Realignment of Bypass.** The complainants felt that a realignment of the bypass would solve their problems. If NHA did this, they would not be affected any more by resettlement and other losses. The RAR recommended to (i) explain the guiding principles and the technical and economic considerations in identifying the current alignment, (ii) explain the alternative alignments that had been considered before coming up with the current one, (iii) provide a map showing the options as well as the current alignment, and (iv) respond to complainants' questions and their suggested adjustments to the current alignment. Such a course had already been proposed in an action plan agreed to by CWTC and NHA.

15. **Resettlement and Compensation of Losses.** NHA and CWTC confirmed that the activities necessary to prepare for land acquisition and resettlement would be implemented as

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<sup>5</sup> Women were met separately, as only one had attended the meeting for a short moment, but had not shared her opinion.

agreed upon in the RP and that the basic resettlement principles and guidelines would be followed.

16. **Information and Consultation.** The complainants were almost completely ignorant of Pakistan's legal procedures, ADB's resettlement policy, and their situation and rights as APs. They did not know at what stage the design for the N-70 or the bypass was, nor did they know what exactly were the concrete steps that needed to be finalized before resettlement and compensation could take place. There was an urgent need to orient APs, and the complainants in particular, on these basics; to provide an overview, a map, and a clear schedule of planned activities; and to do this in an appropriate and gender-sensitive way. There was also an urgent need to communicate the CWTC-NHA agreed-upon action plan, and the deadlines of the various activities as far as they concerned the complainants directly. The RAR foresaw the necessity for regular communication and followup with NHA and frequent visits to the project area. OSPF recruited a consultant to maintain close contact and assure that communication between OSPF and the complainants was timely. This consultant had been involved in the pre-eligibility screening of the complaint and OSPF's eligibility mission, was known to the complainants, and had their trust.

#### **D. Proposed Course of Action**

17. The RAR recommended that the complainants,<sup>6</sup> CWTC, and NHA, with the participation of local government representatives, work out a course of action in a joint 1-day stakeholder consultation in May 2007 with the objectives for the parties to (i) confirm their willingness to engage, (ii) reconfirm their priorities, (iii) agree on steps to be taken, (iv) accept ground rules, and (v) agree to a schedule to be followed by all parties. The course of action was to follow the earlier agreed-upon CWTC-NHA action plan for the finalization and implementation of the RP.

18. The course of action was to further include

- (i) formal, public and facilitated orientation sessions in the villages of Basti Gujja, Mauza Doaba, and Basti Hanjranwali, Mauza Taleri<sup>7</sup>—assuring that timing would be convenient and that women were appropriately informed and able to participate in the sessions—with the complainants on the road alignment options, the principles for the identification of alignment, and presentation of safeguard measures such as protection walls, e.g., for the graveyard, and underpasses for APs to access assets divided by the road;
- (ii) formal, public, and facilitated orientation sessions with the complainants on resettlement procedures, compensation rates, timing, monitoring procedures, and the grievance redress mechanism; and
- (iii) formal, public, and facilitated sessions with the complainants and the local government, after the resettlement plan would have been revised, translated into Urdu and made available to APs, and a summary resettlement plan in Urdu to be sent to each AP by registered mail.

<sup>6</sup> To assure female complainants full participation in the stakeholder consultation, they had a separate parallel working group session to prepare their proposals.

<sup>7</sup> The APs living in the settlement near Mahmood Textile Mills, Mauza Taleri, were to be included in the orientation sessions with Basti Hinjrawali.

### III. COURSE OF ACTION

19. In a multistakeholder consultation facilitated on 17 May 2007, the complainants, NHA, and CWTC 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, methods of calculation, explanations, and collection of applications for higher compensation rates, and (iv) the disclosure of the revised RP before a last round of consultations with APs would be held.

### IV. MONITORING OF AGREEMENT

20. Between May 2007 and the end of July 2008, OSPF was in close contact with the complainants, NHA, and CWTC to monitor the agreement. In the context of these missions, the three parties met and the complainants were able to clarify concerns and request information. CWTC had a local monitor in the field, who provided regular reports to the resettlement specialist at ADB headquarters. In addition, CWTC fielded missions regularly to advise and guide NHA in its efforts to prepare a revised RP and implement the action plan that NHA had agreed to follow. NHA disclosed the updated list of APs as agreed. At the end of May 2007, a consultative meeting took place with the complainants, NHA, and the Board of Revenue (BoR). The methods of assessing compensation rates were explained, preliminary rates for land were discussed, and complainants' applications for higher rates were collected. After a joint meeting among the complainants, NHA, and BoR in November 2007, the District Revenue Officer ordered a reassessment and a resurvey of the area. The reassessment of the land corrected the earlier assessment considerably in favor of the complainants.<sup>8</sup> In early February 2008, NHA distributed the final asset inventory, and asked the APs to verify its correctness and report discrepancies to NHA's resettlement consultant. At the end of March 2008, the two underpasses were specified: the underpass in Basti Guja to be for the use of pedestrians and animals, and the one in Basti Hinjrawali to be wide enough for tractors to pass. Designs for the underpasses were prepared. NHA informed the complainants individually of the prices for land, structures, crops, and trees, and also provided a flyer explaining the process and next steps. At the so-called award ceremony on 2 June 2008, the amount of land to be acquired by NHA and the compensation for the land as well as the different allowances were announced. APs were asked to submit individual complaints if they disputed the measurements or rates. The disbursement of compensation started on 6 June 2008 and was completed on 17 July 2008. The OSPF consultant observed the payment; held two village meetings to get APs' feedback on the process of land acquisition and resettlement; and conducted a household satisfaction survey with 117 respondents, of whom 47 were complainants and 70 were other APs. OSPF issued two monitoring reports.<sup>9</sup>

21. 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 had been made. They further highlighted that the two underpasses,

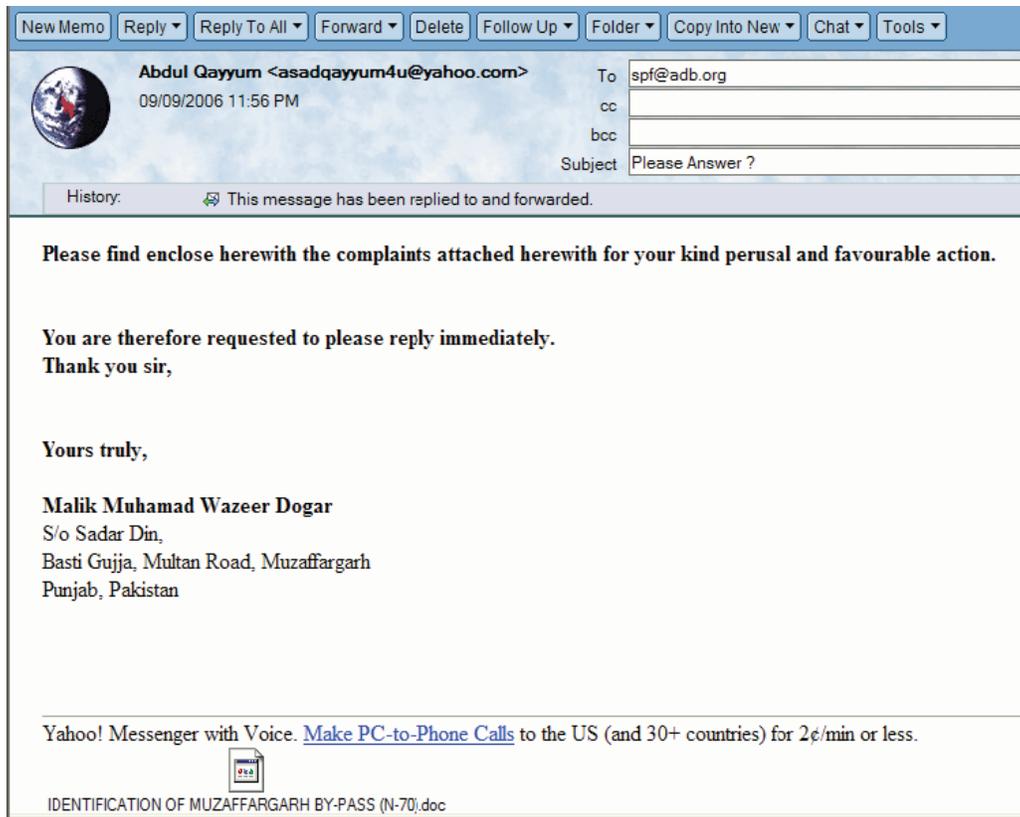
<sup>8</sup> Land was valued according to three categories: (i) up to 150 feet from the road, (ii) residential land, and (iii) agricultural land. For the village of Basti Guja, agricultural land assessed previously at PRs450,000 per acre was reassessed and valued PRs800,000; and for the village of Basti Hinjrawali, the initial rate of PRs800,000 was increased to PRs900,000.

<sup>9</sup> In June 2008 and in June 2009, OSPF published monitoring reports:  
[www.adb.org/SPF/Documents/PAK-nhdsip-monitoring-report-june2008.pdf](http://www.adb.org/SPF/Documents/PAK-nhdsip-monitoring-report-june2008.pdf).  
[www.adb.org/SPF/Documents/PAK-nhdsip-monitoring-report-june2008-Urdu.pdf](http://www.adb.org/SPF/Documents/PAK-nhdsip-monitoring-report-june2008-Urdu.pdf).  
<http://www.adb.org/Documents/SPF/PAK-nhdsip-report-jun2009.pdf>.  
<http://www.adb.org/Documents/Translations/Urdu/PAK-nhdsip-report-jun2009-urdu.pdf>.

to which NHA had agreed, 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 the APs. The APs were of the opinion that information dissemination improved considerably in the later stages of RP implementation and prior to the disbursement of compensation. However, some APs explained that the project-specific institutional arrangements for grievance redress remained unclear to them.

22. The last mission, conducted by the OSPF consultant, took place from 30 September to 1 October 2009 and confirmed the completion of the two underpasses.

## LETTER OF COMPLAINT



Director,  
 Asian Development Bank  
 Manila, Philippines

Dated: August 24, 2006

Subject: IDENTIFICATION of Muzaffargarh by-pass (N-70) through ADB FUNDED PROJECT

Sir,

With reference to our two earliest requests submitted to your good self regarding construction of bypass road in Mouza Taleeri, near Muzaffargarh, Punjab, Pakistan through National Highway Authority & ADB (N70) but NHA officials are not providing any requisite information to the community. So, that is why the community is seriously feeling panic condition, disappointing and there is no way to reduce this repulsion. Before this condition they were the owner of their small lands they were cultivating freely and getting their hand to mouth income and support their poorest families. There is an appalling situation all around. Different opinion / judgment are in the air. There are a lot of people who have no source to meet you for reinstatement of their rights of ownership. NHA planned to construct 264 feet width roads near their houses where no one is happy their all assets are looting through unjustified identification of this project.

You are therefore requested to please fairly analysis this critical situation and provide us shelter against looting of our basic rights. We all have declared to NHA and we assure again that we will not leave our lands which is our source of income, our houses where our families lived even that NHA forcibly push back even after they kill our lives.

We are also requested you to provide us requisite information about the implementation of this project on our given address below.

Yours truly,

Malik Muhamad Wazeer Dogar  
 S/o Sadar Din,  
 Basti Gujja, Multan Road, Muzaffargarh  
 Punjab, Pakistan