

**Complaint on Multitranche Financing Facility Loan No. 2231(SF)-PAK:  
National Highway Development Sector Investment Program  
Monitoring Report  
June 2008**

**A. Background**

1. On 11 September 2006, the Office of the Office of the Special Project Facilitator (OSPF) received a complaint from persons who considered themselves adversely affected by a portion of a road which is being financed by the National Highway Development Sector Investment Program (NHDSIP) in Pakistan<sup>1</sup> and declared it eligible on 29 January 2007. As one subproject under the NHDSIP, National Highway No. 70 (between Multan and Muzzafargarh, Punjab) is being improved, including a stretch of road referred to as the Muzzafargarh Bypass (the Bypass). The executing agency is the National Highway Authority (NHA). In March 2007, OSPF submitted a Review and Assessment Report (RAR) in Urdu and English<sup>2</sup> to the complainants and to the Infrastructure Division (CWID) of the Central and West Asia Department. The complainants, comprising 53<sup>3</sup> affected persons (APs) at the time of the submission of their complaint, expressed concern that they would be displaced by the Bypass, that the process of land acquisition and resettlement was not transparent, and that full compensation for their losses was not assured. In a multi-stakeholder consultation facilitated by OSPF on 17 May 2007, complainants, NHA and CWID reached an agreement that comprised (i) the disclosure of the updated list of APs by 21 May 2007; (ii) the construction of two underpasses; (iii) the communication of preliminary rates and methods, explanations and collection of applications for higher compensation rates; and (iv) the disclosure of the revised resettlement plan (RP) before a round of final consultations with APs would be held. OSPF fielded a mission (the Mission)<sup>4</sup> from 31 May to 4 June 2008 to monitor the implementation of the agreement, specifically to (i) review the 1-year process and progress of the activities; (ii) detail the remaining requirements, and activities, and (iii) agree on a time frame including an estimate of when the complaint can be concluded. According to OM Section L1/OP, the SPF is in charge of monitoring the implementation of the agreement and will report the status of the implementation to the President annually with a copy to the Board.<sup>5</sup>

**B. Monitoring Activities 2007/08**

2. Since May 2007, OSPF has been in close contact with the complainants, NHA and CWID to monitor the agreement. Two missions were fielded from Manila, and another three missions were conducted by OSPF's local consultant.<sup>6</sup> In the frame of these missions the three parties met and complainants were able to clarify concerns and request information. CWID has a local monitor in the field, who provides regular reports to the resettlement specialist at HQ. In addition CWID fielded missions regularly to advise and guide NHA in its efforts to prepare a revised resettlement plan and implement the action plan that NHA had agreed to follow. The last two CWID missions were conducted in parallel with OSPF, which greatly improved the clarity and progress of the land acquisition activities. NHA disclosed the updated list of APs as agreed.

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<sup>1</sup> Loans 2210-PAK(SF) and 2231-PAK(OCR) for \$773 million were approved on 13 December 2005 and on 15 February 2006 respectively. The loan agreements were signed on 14 June 2006 and the loans became effective on 27 July 2006.

<sup>2</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).

<sup>3</sup> Several of them have dropped out subsequently for various reasons.

<sup>4</sup> The Mission consisted of Karin Oswald, OSPF, Mr. Wiqar Abbas, Staff Consultant, and Mr. Naeem Akhtar as documenter. Lanfranco Blanchetti-Revelli, Social Development Specialist (Resettlement), CWOD joined the mission on 3 June 2008 for the meeting with NHA.

<sup>5</sup> Operations Manual Section L1/OP, ADB Accountability Mechanism, paragraph 33.

<sup>6</sup> Missions took place in late May, and mid-November 2007, and in early February, late March and May/June 2008.

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 between the complainants, NHA and BoR in November 2007, the District Officer Revenue ordered a reassessment and a re-survey of the area. The reassessment of the land corrected the earlier assessment considerably in favor of the complainants.<sup>7</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 will be for the use of pedestrians and animals, whereas the one in Basti Hinjrawali should be wide enough for tractors to pass. Designs for the underpasses have been prepared. NHA has informed the complainants individually of the prices for land, structures, and crops and trees, and had 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.

### **C. Current Situation and Next Steps**

3. NHA has prepared a schedule for the payment of compensation, deadlines for the vacation of the land (within 15 days) and the structures (within 1 month for residences). NHA also confirmed that the compensation payments will be made in the villages, which will be more convenient for the APs. An area of concern for the complainants is the placement of a few old markers, which, according to them, were not removed when the right of way was adjusted. NHA promised to verify and remove them, if they belonged to the first batch of markers.

4. The external monitoring of the process through CWID's local consultant will proceed. It will include (i) verifying compensation with each AP; (ii) assessing the overall process of land acquisition in village meetings; (iii) following up on individual grievances; and (iv) conducting a household satisfaction survey using a 20% sample. OSPF's local consultant will conduct the monitoring in the two villages of the complainants. It is estimated that compensation and vacation of land will be concluded approximately by the end of July 2008 for all seven villages affected by the Bypass construction. The construction itself will start subsequently and is estimated to take about 6 months for this section.

### **D. Conclusion**

5. The complainants are satisfied with the progress of the agreements, in particular the higher compensation rates. They feel better informed and are awaiting compensation. NHA is implementing the agreement according to requirements and has noticeably improved its process of informing and consulting with APs. The advice, guidance and close supervision provided by CWID's resettlement specialist contributes greatly to the thorough, step-by-step implementation of the resettlement plan, which ultimately will lead to a satisfactory settlement of this complaint. OSPF will be able to conclude the complaint once the two underpasses are constructed. After the close monitoring of the compensation and vacation of land, OSPF's monitoring activities will be less frequent. The conclusion of the complaint is currently estimated to be January 2009.

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<sup>7</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 Rs.450,000 per acre was reassessed and valued Rs.800,000, and for the village of Basti Hinjrawali the initial rate of Rs.800,000 was increased to Rs.900,000.