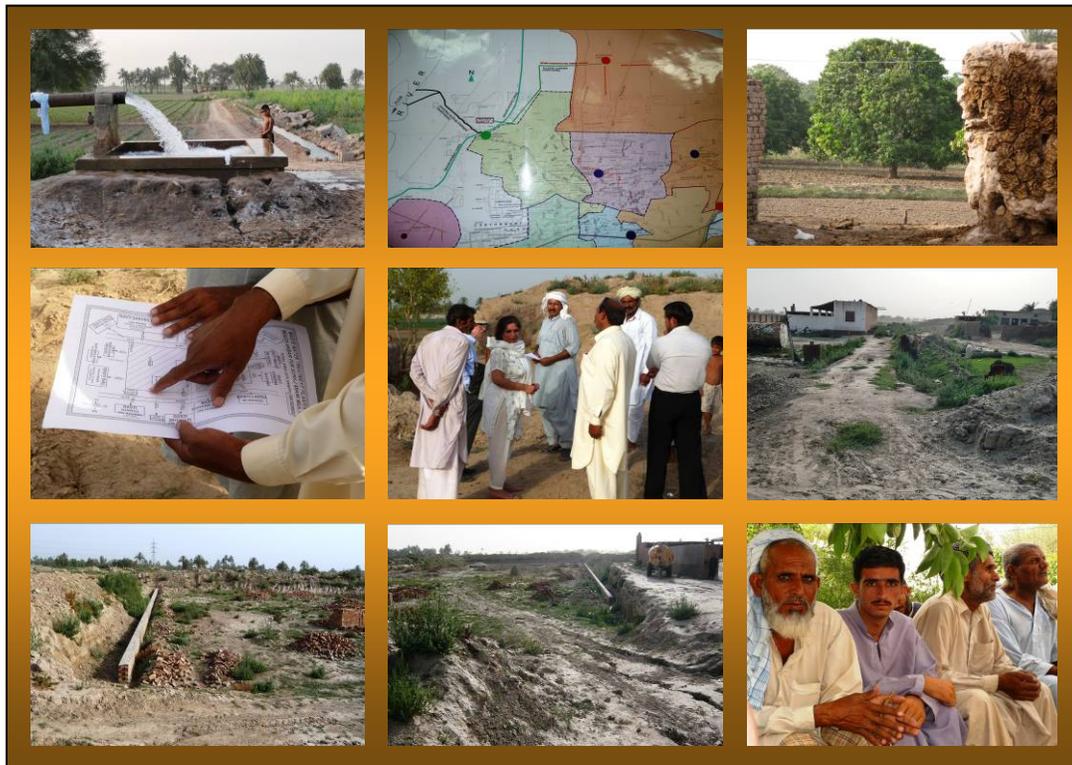




Asian Development Bank

**REVIEW AND ASSESSMENT REPORT  
OF THE  
SPECIAL PROJECT FACILITATOR  
ON THE  
SOUTHERN PUNJAB BASIC URBAN SERVICES PROJECT  
IN PAKISTAN**

**ADB Loan 2060/2061-PAK (18 December 2003)**



June 2009

**The original English version of this report was translated by OSPF consultants into Urdu. In case of discrepancy, the English version will prevail.**

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## ABBREVIATIONS

ADB	– Asian Development Bank
AP	– affected person
BIC	– Bank Information Center
BoR	– Board of Revenue
CAA	– Civil Aviation Authority
CWUS	– Urban Services Division, Central and West Asia Department
EA	– executing agency
EPA	– Environmental Protection Agency
EPD	– Environmental Protection Department
HRCP	– Human Rights Commission of Pakistan
IA	– implementing agency
LAC	– Land Acquisition Collector
LGCD	– Local Government and Community Development Department
NGO	– nongovernment organization
NOC	– no-objection certificate
OSPF	– Office of the Special Project Facilitator
P&D	– Planning and Development Department
PCO	– Project Coordination Office
PIU	– Project Implementation Unit
PMU	– Project Management Unit
PPTA	– project preparation technical assistance
PRM	– Pakistan Resident Mission
RP	– resettlement plan
SPBUSP	– Southern Punjab Basic Urban Services Project
TMA	– tehsil municipal agency
WASA	– Water and Sanitation Authority
WWTP	– wastewater treatment plant

## EXECUTIVE SUMMARY

The Asian Development Bank's (ADB) Southern Punjab Basic Urban Services Project (SPBUSP)<sup>1</sup> in Pakistan intends to (i) reduce poverty, enhance community health, and lessen environmental degradation in 21 project towns by improving water supply, sanitation, solid waste management, and roads for low-income communities; and (ii) ensure the sustainability of urban investments by strengthening the institutional capacities of devolved local municipal bodies, called tehsil municipal agencies (TMAs). The Local Government and Community Development Department of the Government of Punjab is the executing agency of the Project. The TMAs of the different towns are the implementing agencies. One of the project towns is Multan in Southern Punjab, where ADB is supporting the construction of a wastewater treatment plant (WWTP) in Akbar Pur village, Suraj Miani. The SPBUSP is proposed to close as originally scheduled in July 2009.

The Office of the Special Project Facilitator (OSPF) received a complaint in Urdu from a group of people about the WWTP on 27 February 2009. OSPF registered the complaint on 30 April 2009 after translating the documents and receiving clarifications. The complainants raised concerns about environmental issues and about the loss of the natural beauty of the area and of their agricultural land. They also said that the December 2007 Resettlement Plan (RP) for the WWTP does not reflect realities. They further explained that a contractor destroyed their crops, and they submitted detailed comments on the RP, the Environmental Impact Assessment, and its conditional approval by Pakistan's Environmental Protection Agency. They questioned the suitability of the location and the design of the WWTP.

OSPF held discussions with the Urban Services Division of ADB's Central and West Asia Department (CWUS) on the complaint, checked how CWUS had dealt with the complainants' earlier concerns, and fielded a mission to Pakistan from 22 to 26 May 2009 to determine the eligibility of the complaint. The Mission met with the complainants, their representative, and other stakeholders from ADB and the government and conducted site visits. The Mission determined that the complaint met all of the eligibility requirements of the consultation phase. In June, OSPF reviewed and assessed the complaint based on written documents and interviews and small group discussions with stakeholders.

The complainants are concerned about the location and design of the WWTP, the safety of the environment, land acquisition, compensation, and their livelihoods. They also feel that they have not been appropriately informed and consulted. The government is convinced that the WWTP is in the right location, technically sound, and environmentally safe. With the construction of the WWTP the government intends to complete the sewage system of Multan. ADB and the government want the problems to be solved, affected persons (APs) to be appropriately informed and consulted, and the WWTP to be built to benefit the people of Multan. The government is optimistic that their offered increase in compensation rate for the land will help complainants agree to the construction of the WWTP. The parties are willing to sit at the same table and discuss the issues. The local and the provincial governments strongly support the Project and are fully committed to improve the sewage system for the majority of citizens without disregarding the interests of those who are affected. A major concern relates to the fact that a number of complainants are in distress and have already suffered for many months from the destruction of their crops, trees, and structures. Some are forced to sell assets to survive; others are indebted. Another concern is time pressure, because the closure of the Pakistan financial year requires the SPBUSP to focus on disbursement of funds and might divert the Project from remedial actions agreed upon between ADB and the government.

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<sup>1</sup> ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Pakistan for SPBUSP*. Manila. Loan 2060/2061-PAK for \$90 million, approved on 18 December 2003.

OSPF believes that there is a need to rebuild relationships and trust, and to create an atmosphere of understanding through a consultative process. This process has to take on board the issues and concerns of those who will have to give up their lands and adjust their livelihoods. This will allow the parties to conduct open and transparent negotiations in good faith. It is unclear within the SPBUSP how the remedial action and the completion of the sewage system in Multan can be pursued after the proposed closure of the Project. ADB, Punjab's Planning and Development Department, and the local government in Multan should clarify that the completion of the sewage system in Multan can be included in a proposed new Punjab Cities Improvement Project in 2010. Information should be disseminated in a transparent, structured, and appropriate way to make sure that all APs understand the advantages and disadvantages of the WWTP and its impact on them and on the other citizens of Multan. A structured, participatory consultation process should follow rules agreed upon by all parties and utilize an independent facilitator. OSPF recommends working out a course of action, with OSPF staff and a local consultant proposed to serve as independent facilitators.

## I. BACKGROUND

### A. The Project

1. The Asian Development Bank's (ADB) Southern Punjab Basic Urban Services Project (SPBUSP)<sup>1</sup> in Pakistan intends to (i) reduce poverty, enhance community health, and lessen environmental degradation in 21 project towns by improving water supply, sanitation, solid waste management, and roads for low-income communities; and (ii) ensure the sustainability of urban investments by strengthening the institutional capacities of devolved local municipal bodies, called tehsil municipal agencies (TMAs). The Local Government and Community Development Department (LGCDD) of the Government of Punjab is the executing agency (EA) of the Project. The TMAs of the different towns are the implementing agencies (IAs). One of the project towns is Multan in Southern Punjab, where ADB is supporting, among other subprojects, construction of a wastewater treatment plant (WWTP) in Akbar Pur village, Suraj Miani. The SPBUSP is proposed to close as originally scheduled in July 2009.

### B. The Complaint

2. The Office of the Special Project Facilitator (OSPF) received a complaint about the WWTP on 27 February 2009 in Urdu with a number of attachments. The complaint was dated 20 February 2009, addressed to OSPF, and sent by mail. OSPF acknowledged receipt on 18 March 2009 and requested additional information. OSPF registered the complaint on 30 April 2009 after translating the documents and receiving clarifications. The complainants raised concerns about environmental issues and about the loss of the natural beauty of the area and of agricultural land. They also said that the December 2007 Resettlement Plan (RP) for the WWTP does not reflect realities. They further explained that the contractor destroyed their standing crops between December 2008 and January 2009. The complainants submitted detailed comments on the RP, the Environmental Impact Assessment, and its conditional approval by Pakistan's Environmental Protection Agency (EPA). They also questioned the suitability of the location and the design of the WWTP.

3. From late December 2008 to February 2009, the complainants sent e-mails with attached videos to the ADB operations department, international nongovernment organizations (NGOs), OSPF, and members of ADB's Compliance Review Panel. The complainants requested help against a contractor who was allegedly destroying their crops. Their complaint was urgent, because the contractor had started clearing the land, digging ponds, and destroying crops. A representative of the complainants visited the Pakistan Resident Mission (PRM) on 26 December 2008 and was in touch with PRM for several weeks thereafter. On 9 January 2009, construction work at the WWTP was stopped at ADB's request. Meanwhile, ADB suspended the subproject, fielded a number of missions to examine resettlement and environmental safeguard issues in more detail, and agreed with the government on a number of remedial actions.

### C. Determination of Eligibility

4. To determine the eligibility of the complaint, OSPF held discussions with the Urban Services Division of ADB's Central and West Asia Department (CWUS) and checked how CWUS had dealt with the complainants' earlier concerns. OSPF also fielded a mission to Pakistan from 22 to 26 May 2009. The Mission consisted of the Special Project Facilitator, the

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<sup>1</sup> ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Pakistan for SPBUSP*. Manila. Loan 2060/2061-PAK for \$90 million, approved on 18 December 2003.

Senior Project Facilitation Specialist, and two local consultants. The Mission met with the complainants, the Human Rights Commission of Pakistan (HRCP), the ADB resettlement specialists in Islamabad, the ADB environment specialist in Lahore, government stakeholders, and an engineer in Multan specializing in WWTPs. The Mission also conducted one field visit with the complainants and one with the Project Coordination Office (PCO) in Multan.

5. Mr. Syed Abid Hussain Shah, who had sent the complaint to OSPF, stated that he represented 58 complainants (43 men and 15 women) who were negatively affected by the WWTP. After checking the various exclusions of the Accountability Mechanism Policy, reviewing the eligibility requirements of the consultation phase, and initially assessing the probability of resolving the problem, the Mission determined that the complaint met all of the eligibility requirements of the consultation phase.

6. In the initial complaint letter to OSPF, the complainant requested confidentiality. Mr. Shah confirmed that he knew that his e-mails between December 2008 and February 2009 had been sent to many parties and that consequently neither his name nor the names of the e-mail account holders were still confidential. He explained that they had been frightened at the time they sent the complaint to OSPF, but they now felt more confident, and they revoked the request for confidentiality in their meeting with OSPF on 24 May 2009. They also authorized OSPF to publish their complaint letter on the OSPF website, but wanted their names and addresses to be deleted.<sup>2</sup>

## II. REVIEW AND ASSESSMENT

### A. Objectives and Methodology

7. The objectives of the review and assessment were to (i) explore the history of the complaint, (ii) confirm the key stakeholders, (iii) identify the key issues of the complaint, (iv) explore the stakeholders' readiness for joint problem-solving, and (v) recommend a course of action.

8. The review and assessment included (i) a desk-based review of documents, including the Report and Recommendation of the President, back-to-office reports, memoranda of understanding, and the 2007 RP; (ii) interviews with ADB staff and management involved in the project; (iii) site visits; (iv) individual interviews and small group discussions with the complainants' representative and with male and female complainants separately;<sup>3</sup> and (v) interviews with government stakeholders, the EA, the IAs, and the Civil Aviation Authority (CAA). The interviews were conducted using semistructured questionnaires. A local facilitator had conducted the community level review and assessment of the complaint and supported OSPF in interviewing government stakeholders. OSPF also communicated with HRCP and met with the NGO Forum on ADB and the Bank Information Center (BIC).

9. This Review and Assessment Report seeks to present the issues as the different parties explained them to OSPF and is intended to assist the stakeholders to better understand each others' needs, interests, and concerns, and to help them consider options to address those concerns. It is not intended to provide judgments on any issues related to the Project or

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

<sup>3</sup> The list of complainants was verified. The total number of complainants is 55 (42 men and 13 women). One complainant had passed away, the name of one person was listed twice, and one name was included by mistake. A total of 48 complainants—37 men and 11 women—were interviewed.

evaluations of any stakeholder groups or individuals, nor to make a set of expert recommendations on how issues should be solved.

10. OSPF's role is to facilitate solutions to the issues as described by the different stakeholders, and to initiate and guide the consultation process. OSPF offers help to the parties involved in the Project to resolve their issues through (i) setting the stage for the complainants' decision making, (ii) providing opportunities for them to meet and discuss strategies, and (iii) providing processes conducive for all parties to arrive at solutions. It is OSPF's responsibility to treat all parties with respect and to assure a fair process. It is not OSPF's role to decide whether parties' actions, opinions, or perceptions are right or wrong or to arbitrate in favor of one of the parties.

## **B. Identification of Stakeholders**

### **1. Complainants**

11. The complainants include 55 affected persons (APs) belonging to different families. Most of them are small landowners who cultivate wheat, barley, potatoes, tomatoes, sugarcane, sunflower, and other vegetables. They also have mangoes, date palms, and other fruit trees. They not only cultivate their own land but also work on the lands of the bigger landlords to earn additional income. Some of the women work as agricultural laborers. They have invested in their land, installed tube wells or irrigation canals, and earned a modest living from the produce they sell in the markets of Multan. Their livelihood is mainly agriculture, and they have lived on these lands for a long time. They inherited the land from their forefathers and plan to give it to their children. They say that they do not want any other place to live, and they know only how to farm. They made Mr. Shah their representative, count on him, and go to him for advice. They trust his judgment and are comfortable with their choice. Mr. Shah has collected extensive documentation to support the complainants' arguments.

### **2. Government and Related Agencies**

12. A number of agencies play a role in relation to the Project; the complaint; and resettlement, environmental, and technical issues. These include the Planning and Development Department (P&D) of the Government of Punjab, LGCDD in Lahore, the Board of Revenue (BoR) in Lahore and Multan, and the Water and Sanitation Authority (WASA) in Multan. The Project Management Unit (PMU), the PCO, and the Project Implementation Unit (PIU) of the SPBUSP include staff deputed from several departments of the Government of Punjab and consultants. P&D considers itself a neutral party that keeps in view the government's and the funding agencies' perspectives. It further considers its role to ensure that safeguards are implemented according to requirements and that monitoring and oversight are assured. LGCDD is the EA of the SPBUSP and has overall responsibility for coordination of the Project. LGCDD suggested that the issues would be better solved among the stakeholders in Multan. BoR in Lahore and BoR in Multan<sup>4</sup> are responsible for assessment of the land. The Land Acquisition Collector (LAC),<sup>5</sup> deputed from BoR to the Project, is responsible for the implementation of all activities required by the land-acquiring agency (WASA). The LAC will announce the awards and issue the checks to APs.

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<sup>4</sup> The District Price Assessment Committee assesses the land and suggests the price to BoR.

<sup>5</sup> The LAC also announces the assessments of structures and other assets, which are done by the appropriate government agencies. Structures, for example, are assessed by the District Officer, Buildings Division in Multan.

13. Overall responsibility for implementation of the SPBUSP lies with the PMO and the project director. For Multan, WASA is responsible for all water- and sanitation-related projects in the city. WASA is also the IA for all water- and sanitation-related subprojects of the SPBUSP and is supported by the PCO and PIU. The SPBUSP has recruited a resettlement specialist, who is based in Multan. In addition, a team of resettlement specialists (consultants) is currently updating the 2007 RP.

14. The Environment Protection Department (EPD) of the Government of Punjab assures that projects are environmentally sound; it issued the required no-objection certificate (NOC) for the WWTP on 17 July 2007, subject to 23 conditions.<sup>6</sup> CAA is responsible for the safety of aviation at the international airport at Multan, prohibiting activities that attract birds within a certain distance from the runway. CAA examines planned projects; requests mitigation measures; and, if convinced that the projects will not endanger air traffic, issues an NOC.

15. The Commissioner and the District Coordination Officer of Multan are taking a keen interest in the Project. The Prime Minister of Pakistan originates from Multan.

### **3. Central and West Asia Urban Services Division and Pakistan Resident Mission**

16. CWUS is responsible for administration of the Project; until March 2009 the project officer was based in ADB Manila. The new project officer is based in PRM in Islamabad and is in regular contact with the SPBUSP to review the progress of project implementation and to discuss areas of concern. CWUS and PRM staff explained the reasons for the suspension of a number of subprojects, including the WWTP in Multan. Two resettlement specialists, based in PRM, have conducted a number of missions since September 2008 and have initiated an update of the 2007 RP. The environment specialist is based in ADB Manila and has conducted review missions to the SPBUSP, including the WWTP in Suraj Miani. He has initiated an environmental audit of the SPBUSP, which will include the WWTP. He is also in contact with the SPBUSP environment specialist.

### **4. Nongovernment Organizations**

17. **The Human Rights Commission of Pakistan, Taskforce Multan**, in a separate report to PRM, raised issues related to basic human rights like the right to shelter, protection from health and environmental hazards, the right to practice acquired skills, the right to information, and the right to litigation. HRCP expressed serious reservations about the 2007 RP and the way it was implemented. HRCP was of the opinion that the APs needed information on the WWTP and its impact, and was particularly concerned about the impacts of the construction on women residing in the area and on agricultural laborers, many of whom, being women, will lose their income. HRCP had also supported the complainants' research and had downloaded from the Internet a copy of the 2007 RP in English for the complainants. HRCP expressed its readiness to continue supporting the APs.

18. **The Bank Information Center**, based in Washington D.C., received the complainants' e-mail requests for support between December 2008 and February 2009, when the contractor went into the area and started preparing for construction of the WWTP. BIC also advised the

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<sup>6</sup> The SPBUSP environment specialist monitors implementation of the WWTP, including the 23 conditions set by EPD, and reports quarterly to EPD and to ADB.

complainants at the time. In late January 2009, during an OSPF mission to Washington D.C., OSPF and BIC updated each other on the issues raised and actions taken.

19. **The NGO Forum on ADB** in Manila was copied into e-mail requests, too. It is in contact with the complainants and is interested in monitoring the consultation phase.<sup>7</sup>

### C. Identification of Issues

20. Depending on the stakeholders' perceptions and situations, they mentioned different sets of concerns—some related to concrete physical expectations and changes, others to a broader view of the Project or the context within which the Project operates. This section summarizes the views expressed by the various stakeholders and organizes them around a manageable set of the most pertinent issues. The purpose is not to validate or deny any issue but rather to describe the issues and concerns from the perspectives of the different parties.

21. The issues have been grouped into the following broad categories:

- Location and Design
- Safe Environment
- Land Acquisition, Compensation, and Livelihood
- Information Sharing and Consultations

#### 1. Location and Design of the WWTP

22. **Location.** The complainants argue that the location of the WWTP should be moved away from their agricultural lands. They strongly request that their lands be spared and that government land be used for the construction.<sup>8</sup> The complainants mention barren land belonging to the government in an area called Mauza Duddhi as an alternative location. The complainants also have documentation (a notification issued by the City of Multan of 2 July 2005) that no industrial unit would be set up in flood-affected areas. A list of areas attached to the documents includes "the Suraj Miani Road till River Chenab." The complainants are of the opinion that, according to the Pakistan Environmental Protection Act 1997, "industrial activity" includes WWTPs. The SPBUSP is of the opinion that the current location is the best and in fact the only option for the WWTP and it has been selected considering the topography of the area, which naturally slopes towards the River Chenab. The SPBUSP also points out that the WWTP is interconnected with other components of the sewage system of the northern part of the city of Multan. Some of these components already existed before the Project; some have been constructed under the Project or by WASA alone and are at different stages of completion. The government and SPBUSP management and staff are very concerned, because the current suspension of the Project is causing harm to a huge number of citizens of Multan, jeopardizing the completion of the sewage system, and costing the government considerable amounts of money already spent. The contractor, who had already been engaged to construct the WWTP, had to stop work, and the government has to pay idle charges.

<sup>7</sup> OSPF met the network advocacy coordinator of the ADB Forum on 23 June 2009 to discuss the potential role of the Forum. Its suggestions are in para. 40.

<sup>8</sup> One said: "This land is our life. If this land is taken, what will we do?" Another added: "This land is our only source of livelihood, and our whole life is dependent on this land." A group of women said: "This land was a gift from our parents; therefore, it is an asset for us. The income from this land was also under our control. This land is very important, because it gives us not only money but also a sense of ownership."

23. **Design.** The complainants have concerns related to the design of the WWTP and ask whether it is technically sound and the most appropriate and safest technology for this location. They wonder whether more appropriate WWTPs exist that would take up less space and not cause problems to the people who happen to live in their vicinity. The SPBUSP is of the strong opinion that the most appropriate type of WWTP has been selected. The SPBUSP stressed that experienced engineers from National Engineering Services Pakistan (Pvt) Limited designed the WWTP. They also mentioned that an international engineer from the United States visited Multan in 2007 at the initiative of ADB and the Project. He confirmed the design and location of the WWTP. ADB also is of the opinion that the suggested design is appropriate. ADB mentioned that different types of WWTPs and their appropriateness for Pakistan and Southern Punjab were discussed during the project preparatory technical assistance (PPTA).<sup>9</sup> The results of the discussions are in the Final Report of the PPTA.

## 2. Safe Environment

24. The complainants expect the WWTP to negatively impact their health, since the wastewater in the open ponds could mix with the groundwater due to the high watertable in the area. The SPBUSP explained that the beds and walls of the ponds of the WWTP will be thoroughly sealed. The bed sealing will be done by compacting the ground level, adding a layer of bitumen and sand as a water-sealing agent, and putting another layer of compacted earth on top. SPBUSP engineers say that there will be 0% penetration of wastewater into the groundwater. The walls of the ponds will have a clay layer and a brick layer.

25. The complainants also fear that during periodic flooding of the nearby River Chenab<sup>10</sup> there is danger that the wastewater could mix with the floodwater and become a health hazard. The SPBUSP explained that it will construct a flood bund that will protect not only the WWTP but also the city of Multan from floods.

26. The complainants expressed concern that the WWTP will attract birds and create a dangerous environment for the air traffic of the international airport. They are in possession of a letter from CAA that seems to confirm their fears. They are also concerned that the WWTP may produce a bad odor in their area and might attract mosquitoes and other insects. CAA has explained that it monitors flight safety hazards and has raised concerns about the WWTP's open ponds. Correspondence between the SPBUSP and CAA exists, and CAA is ready to discuss mitigation measures. The SPBUSP is convinced that the WWTP will not attract birds, insects, or any other aquatic life, since the wastewater will contain 0 mg of dissolved oxygen.<sup>11</sup>

27. The complainants are concerned that the current location of the WWTP is not in accordance with EPA requirements on distance from residences.

28. The government is concerned about the health and safety of the citizens of Multan. Sewage currently goes into the river and affects approximately 600,000 people, who stand to benefit from the completion of the WWTP. The government also stresses that the water currently used for irrigation is polluted and contaminates the vegetables that the complainants themselves consume and also sell in the market. The government is concerned that this has created a major health hazard for all consumers of these vegetables, including the complainants

<sup>9</sup> ADB. 2001. *Technical Assistance to Pakistan for Preparing the Southern Punjab Basic Urban Services Project*. Manila. TA 3802-PAK for \$800,000, approved on 14 December 2001.

<sup>10</sup> Complainants remember that flooding was an issue in 1992 and 1996, when the water of the River Chenab mixed with irrigation water.

<sup>11</sup> Dissolved oxygen is needed for organisms to thrive in water.

themselves. According to a study commissioned in the framework of the environmental assessment required under EPA, alarmingly high numbers of people are affected by hepatitis in the area adjacent to the future WWTP. The Government of Punjab is committed to increasing the number of WWTPs in Southern Punjab, expecting them to considerably improve people's health.

### 3. Land Acquisition, Compensation, and Livelihood

29. **Land Acquisition and Compensation.** Land acquisition is done according to the Land Acquisition Act of Pakistan, which has provisions for grievance redress that both BoR and the SPBUSP must follow. The initial compensation rate awarded to APs was PRs500,000 per acre of land. Everyone agreed that this assessment did not reflect market rates and "was on the low side." Upon request from the APs, the government made a reassessment. The District Price Assessment Committee's revised rate amounts to PRs1.5 million per acre and has been approved by BoR Lahore.<sup>12</sup> The government is of the opinion that this is an appropriate rate. At the time of OSPF's review and assessment and interviews with complainants,<sup>13</sup> only a few complainants knew about the revised rate. Those who knew rejected the rate as too low and argued that their land is worth much more since it is close to the city and has the potential for urban development. Many complainants attach value to their land that cannot be expressed in monetary terms. Some women who inherited the land from their parents do not want to sell. Some women stated that they already lost land when the contractor came—land they had wanted to pass on to their children. They stated that such a loss cannot be compensated easily, since money is only "for now," but losing their livelihood has a long-term impact, and the future generation will suffer even more if they can no longer provide education to their children. Some say that they are not ready to leave their land "at any cost."

30. **Livelihood.** The complainants explained that, without prior notice, the contractor destroyed their crops (wheat, sugarcane, potatoes, tomatoes), fruit trees, including valuable old mango trees, and dates; some of their houses, tube wells, and irrigation canals were also damaged. Two complainants also mentioned the destruction of a mosque. Some cannot estimate their losses, but they say that they lost very much, and the contractor has caused great distress.<sup>14</sup> Agricultural workers, many of them female, were deprived of their livelihood as a result of the destruction of the fields. Some of them now remain at home without being able to earn a living, while others have been forced to seek work as household helpers in Multan.

31. As advised by ADB, the SPBUSP has recruited a team of consultants that is updating the 2007 RP, currently undertaking an inventory of the area, and conducting consultations with APs as part of the update. They will prepare an addendum to the RP. ADB has recruited an external monitor who will monitor the implementation of the updated RP.

### 4. Information Sharing and Consultations

32. The complainants think that the level of information they have received is not sufficient. They would like more information on the design and the reasons why this location was selected. They also request copies of the RP in Urdu. They mentioned time and again that, without prior

<sup>12</sup> The 40 APs who were awarded PRs500,000 per acre must go to court to challenge the awarded amount. None of the complainants to OSPF belong to this group of APs.

<sup>13</sup> 10–15 June 2009.

<sup>14</sup> One complainant said that he cannot sleep at night due to this problem and because thinking of the bleak future is very disturbing to him. A woman said "When the land was confiscated there was an atmosphere of mourning and great loss in our homes. We wept and mourned as if someone dear had died in the family."

notice, the contractor moved into their fields and started destroying their crops. The SPBUSP is of the opinion that there have been consultations and hearings, and that individual staff and government officials always find time to talk to APs. According to the SPBUSP environment specialist, a hearing on the environmental impact of the WWTP was held on 7 June 2008.

#### **D. Options Identified**

33. As a starting point for discussion, OSPF herewith summarizes the options mentioned by complainants, the government, or ADB: (i) construction of the WWTP on government land; (ii) providing APs land of similar quality instead of cash; (iii) shifting the WWTP within its current location to reduce the impact on individual APs where possible; (iv) preparing and implementing a resettlement plan that avoids, reduces, and mitigates impacts according to the ADB policy; and (v) discontinuing the construction of the WWTP and restoring the APs' livelihoods.

#### **E. Assessment of Problem-Solving Probability**

34. The parties each have concerns that influence their position and approaches, but also offer scope for problem solving. Many complainants are concerned that they are losing a major part of their livelihood if not all of it. They attach great value to their land, which they have inherited from their forefathers and which they find extremely difficult to part with. Some small landowners also fear that their land will get bisected and the remaining acreage will not be sufficient to sustain their livelihood. The complainants want the WWTP to be built elsewhere. The government does not consider this an option, given the great need for a WWTP for Multan and the money already spent on the sewage system. The government is convinced that the location and design of the WWTP are sound and wants to complete the Project as soon as possible. But the government has signaled some flexibility in revisiting the site, not to move the WWTP elsewhere entirely, but to assess whether adjustments are still possible and to find appropriate solutions in individual cases. ADB and the government want the problems to be solved, APs to be appropriately informed and consulted, and the WWTP to be built to benefit the people of Multan.

35. There seems to be readiness among the complainants to learn more about the reasons for the site selection of the WWTP and its design. The government and ADB are ready to discuss the advantages and disadvantages of the WWTP with the complainants. There is also common ground on the initial compensation rate being too low, and the government is optimistic that many complainants will acknowledge that this rate has been tripled and will accept the new rate. The local and the provincial governments strongly support the Project. The government is also fully committed to improve the sewage system for the majority of citizens without disregarding the interests of those who are affected. Communicating this strong will, and demonstrating it by "walking the talk" as well as patience, will be needed to restore credibility with the complainants.

36. There is a need to rebuild relationships and trust, both of which seem volatile at the moment. Open and transparent negotiations in good faith are needed to regain trust. This is possible only through a consultative process, with all parties being ready to contribute to the solution of the problems and act in good faith. The time pressure because of the closure of the Pakistan financial year at the end of June 2009 requires the SPBUSP to focus on the disbursement of funds and might divert the Project from the remedial action agreed upon between ADB and the government. It is unclear within the SPBUSP how the remedial action and the completion of the sewage system in Multan can be pursued after the proposed closure of the Project. ADB, P&D, and the local government in Multan should clarify that the completion

of the sewage system in Multan can be included in a proposed new Punjab Cities Improvement Project in 2010.

37. A major concern relates to the fact that a number of complainants are in distress and have already suffered for many months from the destruction of their crops, trees, and structures. Some are forced to sell assets to survive; others are indebted to *thakedar*,<sup>15</sup> who paid in advance for the harvest that was destroyed when the construction started.

### III. RECOMMENDATIONS AND PROPOSED COURSE OF ACTION

#### A. Recommendations

38. There is a need for a consultative process that takes on board the issues and concerns of those who will have to give up their lands, change the plans they had for themselves and their families, and adjust their livelihoods to new conditions. For APs to negotiate and get the best for themselves and their families, information gaps need to be filled first, trust and confidence have to be restored, and an atmosphere of understanding needs to be created. There is a need to respond to the complainants' concerns related to the location and design of the WWTP and to the safety issues, but foremost a need to explain to them why they must give up their land and assets for a WWTP that will benefit not only them but half of the population of Multan.

39. Information should be disseminated in a transparent, structured, and appropriate way to make sure that all APs understand the advantages and disadvantages of the WWTP and its impact on them and on the other citizens of Multan. The complainants' understanding of the location and technical issues should be enhanced through a series of information sessions. Briefings on the technical design and the reasons for the site selection are required. The environmental concerns should be discussed in another session. The reviewed and updated RP should be translated and disclosed. Its implications and required procedures should be thoroughly explained to the APs. A structured participatory consultation process should follow rules agreed upon by all parties and utilize an independent facilitator. The OSPF consultant and OSPF staff are proposed to serve as independent facilitators. Ground rules to be followed in all the sessions are proposed in the Appendix. These ground rules are subject to discussion, and changes can be made at any time with the consent of all parties.

40. The NGO Forum suggests that they send an observer to the multistakeholder consultation, which is proposed to be held in July 2009. OSPF explained that this needs to be discussed and agreed upon among the parties. OSPF has agreed to inform the NGO Forum on the status and next steps in the consultation phase, and of the decision of the parties. HRCP has committed to continue supporting the complainants.

41. OSPF will (i) facilitate workshops, dialogues, and small group discussions with the complainants, government stakeholders, and the ADB operations department as required; (ii) help design the course of action; (iii) support the complainants and the other stakeholders in their understanding of the process; and (iv) support effective and efficient communication among the stakeholders.

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<sup>15</sup> A *thakedar* is a dealer.

## **B. Proposed Course of Action**

42. The proposed course of action is a compilation based on stakeholders' suggestions and addressing their concerns. Some of these activities were suggested by the complainants, some by the government, and some by ADB. The list is not exclusive, will be discussed during the multistakeholder consultation, and can be adjusted and changed as the parties see fit.

### **1. Location and Design of WWTP**

- Conduct a technical briefing on the location of the WWTP and the design for the complainants.
- Invite an independent international WWTP expert to discuss the location and design of the WWTP.
- Revisit the present location of the WWTP and check whether it can be shifted within the current site, or whether the overall area can be reduced to save some APs' lands from being bisected and to reduce losses.
- Conduct an exposure visit for complainants to one of the completed WWTPs in Kabirwala or Bahawalpur, which have both been constructed under the SPBUSP, or visit the WWTP in Kasur, which has been in operation for approximately 6 years and treats effluent from leather tanneries.

### **2. Safe Environment**

- Conduct a roundtable discussion with WASA, CAA, the SPBUSP environment specialist, the ADB environment specialist, and the complainants' representatives on the assumed hazard to the international airport through increased attraction of birds by the WWTP.
- Conduct an environmental briefing for complainants (including complainants, the SPBUSP, and the ADB environment specialist).
- ADB should present the results of the environmental audit to project staff and the complainants.
- Conduct participatory research together with the complainants to find out what the current quality of irrigation water is, and relate it to the community's health situation.

### **3. Land Acquisition, Compensation, and Livelihood**

- PCO/PIU should provide to the complainants the ADB-approved RP in Urdu.
- PCO/PIU and ADB should conduct a meeting with the complainants to explain the RP and the implementation process that will be followed, with participants including the complainants, ADB resettlement specialists and independent external monitor, the SPBUSP resettlement specialist, consultants, and social mobilizers.
- PCO/PIU should consult with the complainants according to the RP requirements and inform on the roles and responsibilities of the PMU/PIU in land acquisition and price assessment, with LAC being part of the team and interacting with the complainants on all land acquisition matters, especially grievance procedures and time frame.
- PCO/PIU should inform the complainants about the entitlement matrix (through meetings, pamphlets, etc.).
- PCO/PIU should advise the complainants on organizing documentation (land records, bank accounts, ID cards, etc.).
- BoR or WASA should guide the LAC to issue compensation checks to APs in camps in the community.

- ADB's independent external monitor should monitor the compensation process and share information on compensation payments with OSPF.

#### 4. Proposed Schedule

43. The next steps in the consultation process are proposed as follows:

Item	Date
RAR prepared in English for translation into Urdu	26 Jun 2009
RAR translated into Urdu and cross-checked by OSPF consultant	2 Jul 2009
Submission of RAR to parties by e-mail and courier	2 Jul 2009
3 days for distribution to complainants – completed by	5 Jul 2009
OSPF explains RAR to complainants	9 Jul 2009
OSPF explains RAR to PCO/PIU, if needed	10 Jul 2009
Complainants take decision to continue with consultation process – 7 days <sup>a</sup>	16 Jul 2009
Parties provide comments to RAR – 14 days <sup>b</sup>	30 Jul 2009
OSPF consultant works out course of action with parties – Multistakeholder consultation Result: agreement on course of action	31 Jul 2009
Implementation of course of action	Dates to be agreed upon during multistakeholder consultation

<sup>a b</sup> For complainants: Can be waived if complainants feel confident enough to take a decision and provide comments during OSPF's mission 9–10 July 2009.

<sup>b</sup> For government and ADB: both can waive or shorten the 14 day period to expedite the process.

44. OSPF proposes to conduct the multistakeholder consultation on 31 July 2009<sup>16</sup> in Multan to (i) discuss the proposed course of action; and (ii) agree on the activities, the participants and representatives for the sessions, the sequencing of the activities, and the time frame. P&D has committed to send a representative to this meeting. Unless specified and agreed upon otherwise, OSPF will organize and facilitate activities agreed upon during the multistakeholder consultation. The stakeholders will jointly prepare and agree upon agenda items and designs for briefings, roundtable discussions, and any other meetings as required and agreed upon during the multistakeholder consultation. OSPF will provide assistance in preparing visuals and other materials required. Unless specified and agreed upon otherwise, OSPF will cover the complainants' costs for participating in the activities.

<sup>16</sup> Note: The multistakeholder consultation could be held earlier if the complainants waive the 7-day period for decision making and the three parties waive the 14-day period accorded for the preparation of comments. The time frames are proposed following the Accountability Mechanism Policy.

## PROPOSED GROUND RULES

Interactions of all parties involved in the dialogue process are suggested to be as follows:

- (i) Only one person will speak at a time, and no one will interrupt when another person is speaking.
- (ii) Each participant will wait to be recognized by the facilitator before speaking.
- (iii) Each person will express his or her own views, or the views of his or her organization, rather than speaking for others.
- (iv) In view of time constraints and in order to allow for maximum participation, participants will keep their comments short and to the point.
- (v) All mobile phones must be switched off or put on silent mode.
- (vi) Any disagreement must be focused on the issues, not on one another; participants will not make personal attacks and will respect each others' views.
- (vii) Participants will address one another in respectful ways, avoid side conversations, and keep the discussion focused and constructive.
- (viii) It is important to find creative, innovative solutions; therefore, participants should avoid judging ideas prematurely, look for ways to improve proposals, and try to remain open minded.
- (ix) No party will give interviews, make statements in the media, or try to get messages across using the media.
- (x) The facilitator will help implement the ground rules once they are accepted by all participants.

The parties should discuss and agree on the ground rules, and add or remove or change them as they work out the course of action. Ground rules can always be revised if and when the parties consider that changes are necessary.