

**NEPAL: URBAN AND ENVIRONMENTAL IMPROVEMENT PROJECT
(Loan No. 1966-NEP(SF))**

**Complaint Filed by Mr. Prajapati Sapkota
President of the Barhaghare Tole Locality Development Organization
Bharatpur, Nepal**

Executive Summary of the Eligibility Inquiry

I. Background

1. The Office of the Special Facilitator (OSPF) received a letter dated 3 January 2007 from Mr. Prajapati Sapkota, President of the Barhaghare Tole Locality Development Organization (BTLDO), Barhaghare, Ward 4 Bharatpur. The letter requested that a wastewater and sewage treatment plant planned to be constructed near Barhaghare under the Urban and Environmental Improvement Project (UEIP), be relocated and that the invitation notice to bid be cancelled. The BTLDO stated that they had repeatedly raised objections with the municipality of Bharatpur and had also raised these issues in a letter addressed to the Asian Development Bank (ADB) in Kathmandu. The complainants did not request confidentiality.

2. The UEIP has been under implementation in Bharatpur for 3 years. It was set up following project preparatory technical assistance (TA3364-NEP), which proposed a design for a wastewater and sewage treatment system in Ward 4, Bharatpur, as one of its subcomponents.

3. OSPF mounted a mission to determine the eligibility of the complaint and to investigate and report on the eligibility of the complaint under the rules of the Consultation Phase of the ADB Accountability Mechanism. A consultant (Social Development Specialist) and Consultation Coordination Officer from OSPF were deployed to investigate the complaint. The objectives of the mission were to:

- (i) conduct an eligibility check according to OSPF's criteria for eligibility;
- (ii) collect information on the complaint history from ADB's operations department concerned, viz., the Nepal Resident Mission (NRM);
- (iii) inform the executing and the implementing agency about the complaint, OSPF's procedures, and possible next steps;
- (iv) brief and de-brief NRM, in particular the Project Officer;
- (v) provide an initial assessment of the probability that these problems could be solved; and
- (vi) recommend ways to reach a solution.

II. Inquiry

4. Meetings were held with the NRM Project Officer, Mr. Krishna Ram Panday and the Director-General of the Department of Urban Housing and Building Construction (DUHBC) in the Ministry of Physical Planning and Works, his supporting staff and the DUHBC Project Manager for Bharatpur.

5. The mission visited Bharatpur over 4 days, 22-26 February 2007. During this visit, interviews were undertaken with the project complainants – BTLDO, signatories

to the complaint, who were interviewed as a committee, and a sample survey of 10% of complainants. The Reed Bed Treatment Plant (RBTP) site and the forest were visited. The municipality Chief Executive officer, project staff and consultants were interviewed. Records of the 21 meetings between the municipality and project and community representatives were translated and their contents probed.

6. The mission found that the residents of Barhaghare Tole believed that the proposed sewage treatment plant would discharge raw sewage, create a bad smell, become a detriment to public health, interfere with use and enjoyment of the forest area, and adversely affect the surrounding houses and a hospital that is under construction nearby. Fear of these negative consequences was mainly due to lack of understanding of the technology to be used in the proposed facility, which should in fact benefit the community. In addition to this misunderstanding, the residents felt pressured by the municipality, with whom they had strained relations in the past that had created an atmosphere of mistrust. Although a number of meetings had been held, most community members did not understand the project and felt they had been bypassed in the decision making. Tension escalated when the implementing agency (which is the municipality), without agreement from or knowledge of BTLDO, issued an invitation to bid for construction of the treatment plant, and shortly before the closure of bids on 30 December 2006, members of BTLDO entered the municipal offices and tore up some bids. Faced with this action and the unyielding attitude on the part of the residents, the implementing agency decided to withdraw the invitation to bid and look for an alternative site for the plant. The BTLDO, however, still untrusting of the municipality, held a meeting, decided to complain directly to ADB, and quickly gathered 575 signatures. A BTLDO committee member brought the complaint with the signatures to NRM but was impatient and did not agree to meet with the project officer. Instead, the BTLDO submitted the complaint to OSPF with a view to stopping the subproject.

III. Eligibility

7. The Complaint is ineligible under the Consultation Phase of the Bank's Accountability Mechanism, on the grounds that the complainants did not address the problem first to the Operations Department (OD) concerned before the Complaint was forwarded to OSPF.

IV. Conclusion

8. BTLDO continues to be adamant that the sewage treatment plant not be located in its area, and there appears to be no possibility that this subproject can be renegotiated with this community. As the implementing agency has accepted the community's refusal as final and will be seeking alternative sites, BTLDO feels that its actions have been successful. Clearly, in seeking alternative sites the implementing agency will need to communicate effectively with local communities, explain the technology to be used and its benefits, and undertake consultation with affected persons in a careful and sensitive manner, in order to avoid misunderstandings and local opposition such as occurred at Barhaghare.

9. The mission discussed its findings with BTLDO, including the ineligibility of the complaint under the Consultation Phase of ADB's Accountability Mechanism. The mission also debriefed the UEIP Project Manager and NRM's Project Officer. OSPF has informed the complainants that they can bring their complaint to SPF again at a later date, if there are valid grounds, after exhausting all opportunities for resolution with NRM.