

May 28, 2002

The Asian Development Bank  
President Mr. Tadao Chino  
6 ADB Avenue, Mandaluyong City  
0401 Metro Manila  
Philippines.

Dear President Tadao Chino,

Complaint regarding the Chashma Right Bank Irrigation Project (CRBIP) Stage III in Pakistan under the Inspection Procedure of the Bank

The Project has directly and materially harmed people and communities due to the failure of Management to be in full and timely compliance with Bank Policies and Guidelines.

On behalf of Chashma affectees and concerned advocacy NGOs, we would like to file our grievances regarding the ADB funded Chashma Right Bank Irrigation Project (CRBIP) in Pakistan, whose Stage III is currently being implemented.

This Complaint is jointly filed by Damaan Development Organization, Hirak Development Centre, SUNGJ Development Foundation and CREED Alliance, on behalf of the project affectees (whose authorization is attached). Damaan Development Organization and Hirak Development Centre are directly working in the project area. SUNGI and CREED are public interest organizations engaged in various advocacy campaigns to defend communities and citizens against the adverse social and environmental impacts development projects.

CRBIP is an inter-provincial irrigation project and physically located in districts Dera Ismail Khan (DI. Khan) of the NWFP province and Dera Ghazi Khan (D.G. Khan) of Punjab province. The first two stages have already been completed and already irrigate land in D.I.Khan district. The third stage, currently under construction, will irrigate the land in both districts.

Loan approval details of the various components of Chashma Right Bank Irrigation Project are as follows:

- CRBIP Loan # 330-PAK (SF), \$31.5 million. Approved 1977, completed July 1989
- CRBIP Stage II, Loan # 874-PAK (SF), \$48 million. Approved 1987 (possibly completed.)
- CRBIP Stage III, Loan # 1 146-PAK (SF), \$185 million. Approved 17 Dec. 1991.
- National Drainage Sector Project, Loan #1413-PAK (SF), \$140 million. Approved November 1995. In July 1999, \$33.5 million was transferred from the NDSP project to CRBIP Stage III; later, \$5.1 million was redirected back to the NDSP. Total transfer is \$28.4 million.

Our concerns on CRBJP relate to:

- Alternative project options assessment and design related social and environmental problems.
- Project induced flooding and resettlement.
- Land acquisition and compensation.
- Livelihood disruptions.
- Project management irregularities and corruption.
- Environmental concerns.
- Information sharing, participation and consultation with the affectees.
- Lack of response to and coordination with the affectees.

We have been raising our concerns with ADB staff, both at the Resident Mission and at headquarters,

as well as with implementing agencies for more than two years. However, little has been practically done to resolve the grave problems and pressing concerns of affectees.

We are convinced that numerous ADB policies and guidelines that were operational at the project identification, preparation and feasibility stages were ignored and violated. These include:

- Guidelines for Social Analysis of Bank Projects
- Environmental Considerations in Bank Operations
- Guidelines for Social Analysis of Development Projects
- Environmental Guidelines for Development Project-Irrigation
- Policy and Environmental Considerations in Bank Operations
- Involuntary Resettlement
- Indigenous Peoples Policy
- Supplementary Financing of Bank-Financed Projects
- Benefit Monitoring and Evaluation
- Agriculture and Natural Resource Research Policy
- Information Policy and Strategy
- Confidentiality and Disclosure of Information

As a result, significant adverse social and environmental impacts have developed in the later stage and substantively affect the livelihood rights and interests of the most vulnerable social groups in the project area.

Details of our grievances are provided in the attached Complaint document. We request your prompt response, which should be sent to the following address:

SUNGI  
House 67, Street 17  
G-6/4, Islamabad  
Pakistan.

With best wishes.

Sincerely

Ahsan Wagha  
Damaan Development Organization  
Taunsa Sharif

Zafar Iqbal Lund  
Hirak Development Centre  
D. G. Khan

Mushtaq Gadi  
SUNGI Development Foundation  
Islamabad

Muhammad Nauman  
CREED  
Karachi

Letter of May 28, 2002 to ADB President for filing Complaint regarding the Chasma Right Bank Irrigation Project (CRBIP) in Pakistan under the Inspection Procedure of the Bank

## **COMPLAINT**

(Filed with the President on May 28, 2002 under the Inspection Procedure of the Asian Development Bank, of substantial and material harm caused to people and communities in and around Chashma Right Bank Irrigation Project (CRBIP) Stage III due to failure of full and timely compliance of Bank Management with Bank Policies and Guidelines.)

### **Brief Description of the Project**

The Chashma Right Bank Irrigation project (CRBIP) is an extensive irrigation project in Pakistan that involves the construction of a 274 km canal along the Indus River, and the construction of 72 distribution canals, 68 cross structures and 91 bridges. It is an inter-provincial irrigation project and physically located in two districts of Pakistan: Dera Ismail Khan (D.I. Khan) in the NWFP and Dera Ghazi Khan (D.G. Khan) in the Punjab. The first two stages have already been completed and irrigate the lands of D.I. Khan. The current third stage of the CRBIP, which is under implementation, will irrigate the lands of both districts.

Financing for the current stage was approved by the ADB in December 1991 for \$185 million, which is about 64% of the total cost of stage III. The Government of Germany (KfW) has also loaned about \$40 million.

By April of 1999, there were already extensive project delays and cost overruns and only 15% of the project had been completed. Instead of requesting a new loan for CRBIP, the Government of Pakistan proposed that cost overruns be met by utilizing funds from the ADB-funded National Drainage Sector project. In July 1999, the ADB approved a transfer of \$33.5 million from the latter project to the CRBIP. Subsequently, the cost overrun estimates were reduced, resulting in a surplus of \$5.1 million that was redirected back to the National Drainage Project. The total (net) loan amount for the Chashma project is now \$207.8 million, of which \$163.1 million has been disbursed. The closing date of the loan was originally September 30, 2000, but it has been extended to December 31, 2002.

### **Our Concerns**

The problems and impacts of the CRBIP have had a dreadful impact upon of communities and people in and around the project area. Lives and livelihoods have been damaged and threatened because of project failures in resettlement, compensation, and access to information and consultation.

Claims of citizens acknowledged by national law have also been suppressed or ignored. Full information to project affectees and announcement of awards prior to land acquisition are legally binding under the Land Acquisition Act, 1894. These were largely ignored and violated in the implementation process. Similarly, legal and historical rights of local communities to floodwater are also adversely affected by this project. These historical and legal rights were formally negotiated between local communities and the British Indian Government at the start of 20<sup>th</sup> century. These water rights remain part of national laws and protected through land settlements done in the project area. The detailed description of our concerns is given below.

### **1. Alternative Project Options Assessment and Design Related Social and Environmental Problems**

The project area receives regular torrential floods in the monsoon season. Local

communities have been successfully using these flood flows for the centuries-old *rowed-kohi* (hill-torrent) irrigation system. The British Government of India established separate laws and irrigation set-up for the regulation of this system. Despite the gradual deterioration of traditional *rowed-kohi* (hill-torrent) irrigation system, it still supports a large number of local populations in and around the project area. CRBIP has affected this system negatively by massive diversions and disturbances to the floodwater courses to ensure the safety of the main canal, and has thus deprived a large population from using the floodwater. All these communities are living outside of the canal command area. They are now not able to adequately use traditional floodwater. Their rights and interests in the floodwater that they have traditionally used have not been adequately addressed, project impacts of these people have not been adequately assessed and there is no plan to compensate these people for the adverse impacts they have been suffering from the massive disruptions of the *rowed-kohi* system.

The following specific provisions given in the “-ADB Guidelines for Social Analysis of Development Projects” were not adequately complied with in project preparation and feasibility study:

- Social Analysis: This assists Bank staff to test assumptions made in the RIRR against social realities and to examine alternative project options in terms of design, size, location, timing and technology (P: 3). In fact the “assumptions made have not been tested and adjusted to reflect the reality of the project area.
- Traditional Water Users: If traditional water-user societies, or similar, already exist, care will be taken to protect and involve such groups in the new project (P: 108). Rather than protecting the rights of *rowed-kohi* users in the west side the project induced massive flooding and diversions of flood flows made it almost impossible for them to continue using these rights. This is particularly true for the communities living close to the right (west) bank of the canal.

Despite the substantial negative impacts on local *rowed-kohi* (hill-torrent) users, neither the alternative project assessment nor the protection of their rights and involvement was ensured in any stage.

The project design recommended at the appraisal stage was bound to fail and negatively affect a large population because of visible but deliberately ignored factors. As the main canal cuts through the natural paths of numerous hill-torrents, the project infrastructure is naturally under the threat of massive flooding. The impact of these floods has also been the focus of the consultants to the Bank. While analyzing the impact of flooding on the safety of the canal, consultants Dr. T.D.Heiler and Dr. W.A.N. Brown predicted design failure as inevitable due to floodwaters. They concluded that the construction of super passages and siphons and the provision for upstream training and protection could only reduce the risks of damage, and by careful design, minimize damages when failure occurred due to the peak flood discharges. However, the failure was inevitable, given the design return period of 40 years, and the uncontrolled and unpredictable nature of upper catchment area. The appraisal document explicitly recognizes that “ floods exceeding the design capacity of structures may be associated with increase flood damage.... When a flood event exceeds this design flow, significant adverse environmental effects may result. Likely effects will be canal breaching, destruction of irrigation works in the breach vicinity, destruction of crops and possible destruction of villages and consequent loss of life. “ Appraisal Document, Appendix 10, para. 22.

It seems strange that, despite such alarming observations made by the consultants, the project was classified into B category. This was against the provisions of ADB Guidelines for Social Analysis, which states that “the proposed projects have, wherever possible, been classified according to likely social and environmental impact and key social factors included

in their respective profiles.”

Interestingly, this design failure has occurred thrice in the 2001 monsoon season. Contrary to the consultants’ prediction, the main canal was breached due to the pressure of medium flooding. The project induced flooding affected eight villages and, as a direct consequence, two persons died. Houses, property and other livelihood assets were also damaged. These communities have not even been considered eligible for compensation. Had the main canal flow coincided, as is likely to happen in future monsoons, the damage to life, property and livelihoods in the villages and towns would be manifold.

**Changes in project design, additional financing and project reappraisal:** In December 1991 the Bank approved the loan to finance part of the cost of Stage III of the overall CRBIP. The closing date of the loan was September 2000. According to the plan, the construction of main canal was due to commence in 1993. However, the project suffered substantial delay and the major contract for the construction of main canal was awarded in 1997. Meanwhile, the government decided to change the project design approved at the appraisal stage. Two changes in the project design were approved. First, the alignment of main canal was further shifted to the higher grounds level on its right (west) side. Secondly, the suggested siphons to provide the safe passage to floodwater at the location of main canal were converted into super passages. The decision was taken in the CDWP meeting held on 12<sup>th</sup> November 1997. The minutes of CDWP committee confirm that the ADB was fully consulted prior to making these changes in project design. The shifting of canal alignment multiplied the risk of flooding and damages to the villages located further west but close to the new alignment. Similarly, the conversion of siphons into super passages played havoc and resulted in serious flooding problem. Sill level of super passages, which were fixed with respect to the fully supply levels, were high and resulted in ponding 3-7 meters deep water along 3-5 kilometers stretches of the west bank of main canal. Project induced flooding, which was already identified as major problem in the original appraisal document, became very serious issue and threatened to the life and livelihood of villages living in the west side.

The changes in project design shortly followed the additional financing from the Bank to meet the cost overruns. One of the reasons behind the cost overruns and subsequent additional financing was the changes made in project design. The government requested the Bank that instead of supplementary financing it should be allowed to utilize part of the proceeds of the on-going National Drainage Sector Programme (NDSP) to meet the cost overruns. Despite the fundamental changes in project design and additional financing arrangements to meet the cost overruns, the comprehensive project reappraisal including the analysis of all “technical, economic, financial, legal, institutional, social and environmental aspects of the revised project was not done. This was the clear violation of the Bank’s Operational Missions (OM 32 BP/OP issued on January 13, 1997), which states:

““A reappraisal mission is sent when substantial or basic changes have become necessary in the scope or implementation arrangements of an approved project or when cost overruns are incurred in its implementation. As in the case of an appraisal mission, the re-appraisal mission is required to obtain all the necessary information to analyze the technical, economic, financial, legal, institutional, social, environmental, and other aspects of the revised project and should also reach a written understanding in the form of an MOU with the borrower/executing agency concerned. The mission is expected to examine the completed and ongoing works of the approved project and to determine whether substantial changes in the project scope or implementation arrangements are necessary to achieve the original objectives of the project or whether supplementary financing of cost overruns could be considered based on the policy and operational guidelines established for such purpose. The work done by the reappraisal mission forms the basis of the required Board paper (normally for approval on a no-objection basis) proposing major changes in project scope or

implementation arrangements, or the RRP and legal documents for a supplementary loan.”

It should be noted that according to the above mentioned policy the reappraisal should be done in compliance with all Bank policies that were in force at the time of supplemental financing.

## **2. Project Induced Flooding and Involuntary Resettlement**

CRBIP is a multi-purpose project. One of its major objectives is to provide flood protection and relief to local communities. A substantial chunk (almost fifty percent) of the project budget related to main canal was also allocated for this purpose. However, the exact opposite has happened entirely due to project interventions. The project induced massive flooding in the area has created serious threats to human life and livelihoods of the local communities.

The Bank approved CRBIP without paying any attention to project induced involuntary resettlement. Rather the appraisal document concludes that “the Stage III project does not involve any dislocation of families for irrigation canals and facilities.” Appraisal Document, Appendix 10, para. 51. However, the Appraisal did recognize that “floods exceeding the design capacity of structures may be associated with increased flood damage... When a flood event exceeds this design flow, significant adverse environmental effects may result. Likely effects will be canal breaching, destruction of irrigation works in the breach vicinity, destruction of crops and possible destruction of villages and consequent loss of life.” Appraisal Document, Appendix 10, para. 22.

The decision to shift the canal alignment and conversion of siphons into super passages along with wrong estimates made about the peak flood flows of various hill torrents exacerbated the effects of flooding and thus required the displacement of local communities. In 1999, it was realized that about nine villages in the west side would require relocation because of the blockage of flood flows. However, a recently completed survey indicates that about 22 villages would be displaced due to the flooding problem. The estimates by better-informed, local affected communities are even higher than this assessment. Continuously changing figure about the number of affected villages indicates that the Bank’s staff failed to ensure the proper and accurate enumeration of affected villages. The total number of affected persons is still not known because of the lack of proper social survey in all affected villages.

According to the recent estimates made by the WAPDA and project consultants, 22 villages are bound to be flooded due to the blockage created by the main canal and other project related infrastructure. In the last monsoon, more than eight villages experienced massive flooding that resulted in the loss of life, property and livelihoods. Last year, the Sokkar village, having a population of about 10,000, was flooded thrice due to the blockage of flood flows. Considerable damage was imposed upon the community.

Thus the project, designed to provide flood protection, has itself become the major cause of flooding. Similarly, the vast and productive riverine tract experienced a similar problem of flooding because of the channeling of flood flows of several hill-torrents into a single flood carrier channel. The riverine belt is also facing the flooding

problem because of the disposal of water from various distributaries. The standing crops of cotton, immovable property and other livelihood assets were destroyed in that area. The responsible authorities are not even fully aware of the problems of farmers in this area due to the farmers' geographical isolation, and political marginalization since a significant portion of this population consists of tenants and landless farmers.

The following specific provisions of *ADB Guidelines for Social Analysis* have been totally violated:

- Wherever viable alternatives exist, involuntary resettlement should be avoided.
- Where resettlement is unavoidable, project options should be sought which minimize the actual number of persons displaced.
- If an individual or community must lose their original land, livelihood, social support system or way of life in order that a project might proceed then they have a right to be compensated in such a way that their economic and social feature will be at least as favorable as without the project.
- Wherever possible the affected community will be fully informed and closely consulted on resettlement and compensation options and actively involved in decision-making.
- The full cost of compensation including social preparation be included in project costs and taken into account in the rate of return calculation when the economic analysis of project is prepared.
- To better assure resource sufficiency and to strengthen loan conditionality, both local and foreign, cost of resettlement/ compensation should be included as part of the proposed loan package.
- The right of those affected to be consulted on their future options, the adequate preparation of the receiving site and especially the acquisition of suitable land, etc before project operations require the removal of people from their original homes.

In fact, the project planning and decision-making process totally ignored viable alternatives in the form of the development of indigenous *rowed-kohi* (hill-torrent) irrigation. Rather the project engineering interventions affected this system negatively by massive diversions and disturbances to the floodwater courses to ensure the safety of canal. Project induced resettlement costs were not even made part of the loan package. There is still no resettlement plan for the affected people who have been displaced or face the threat of displacement in the near future. Project affected communities were neither properly informed nor consulted. Rather, physical force and threats have been used to force them to abandon their homelands. There have been numerous incidents in which the police was called to force the affected persons to leave their original homes without resettlement arrangements and plan.

When the project was refinanced by the diversion of a certain amount of loan from the National Drainage Programme in 1999, there was a genuine possibility for conducting a full reappraisal of the project and incorporating social costs. However, ADB project staff ignored the very obvious resettlement aspects of the project even at this refinancing occasion, when the rights of the affected communities were, at least in theory, better protected by the ADB Resettlement Policy of 1995.

It might be relevant and interesting to mention the efforts of ADB project staff with regard to the resettlement aspects of Chashma Project III. In 2000, the ABD commissioned a study called "Social Survey and Action Plan". The study was meant to prepare a social analysis of the seven flood affected villages in the west side of main canal and consult with the affectees about the option of resettlement or construction of flood protection bunds around the endangered villages. The study was to be prepared in accordance with the Asian Development Bank Guidelines for incorporation of social dimensions in the Bank's operations. The report was prepared in February 2001. All villages except one opted for resettlement in the east side of the canal. The study report indicates that the opinion in the village that opted for flood protection bund was even divided. The study concludes that " extreme poverty renders the affected villagers incapable of helping even themselves. During floods they simply succumb to its onslaught. Therefore, before making any decision for providing them some relief, the proposal has to be well planned and thoroughly examined to make sure that it is durable and of permanent nature. These villagers in fact are never in a position to fight emergencies by themselves and stand the resultant losses." It further recommends that " the best and the most benefiting manner of rescuing the villages from the present project created situation is to shift them to safe places where no danger of flood exists." P: 65.

However, these consultations proved to be symbolic, and views of the affected villagers were totally disregarded in the decision-making process. In May 2001, the decision was made against the implementation of draft resettlement plan prepared by the consultants. It was decided by the WAPDA to pay the nominal cash compensation or provide flood protection bunds to these villages. It should be noted that affectees term the flood protection bund as jail and consider those as major threat to their safety of life, health and social well-being.

The report prepared by the consultants was also revealing in many other aspects. The per capita daily income in these villages was even below the half of one \$. The number of dependents was more than 50% and education of the elderly people including family heads and their spouses was almost zero percent. Similar situation exists with regard to other indicators for social and human development in the affected area.

Sadly, both the ADB project staff and the implementing agencies continued to exploit the political marginality and lack of voice of the affected population in decision-making, and failed to even begin to comply with the provisions of ADB Guidelines for Social Analysis of Development Projects and the ADB Resettlement Policy effective at the time of refinancing.

### **3. Forced Land Acquisition and Compensation**

The CRBIP has officially acquired about 20,000 acres of land for various purposes. However, in addition to the acquired land, a significant area has been damaged because of flooding in the west bank and riverine belt, deep burrow excavations and other engineering interventions. Similarly, severance of landholdings is also very common and has rendered the land of many small farmers unproductive and useless.

In the project area, about 80 percent are small farmers and loss of their lands without adequate compensation is a total destruction of their livelihood support system. Worse, approximately 26 % tenants live in the project area, who have not even been considered in the compensation package for land acquisition.

Interestingly, almost half of the land was acquired for the flawed and problematic flood carrier channels. Most of the land acquired for the construction of flood carrier channels was unnecessary. It was avoidable had the existing natural *nullahs* (streams) been utilised for this purpose.

The land acquisition and compensation process was in violation of national law throughout the project implementation process. The concerned authorities even failed to implement the insufficient, much-criticized colonial legal system for land acquisition (Land Acquisition Act, 1894). For example, affected communities were not usually informed prior to the land acquisition, which is contrary to section 4 of the Land Acquisition Act, 1894. Similarly, section 6 of this Act was not followed in which required an award to be announced.

The process of asset valuation process remained totally non-transparent. There has been no participation of affected communities in the valuation process. Valuation of land, structures and other assets so far made has been much below the current market rate. Many small farmers have now become landless due to the acquisition of their entire land or fragmentation of their already small landholdings. Surprisingly, ADB and the project agencies claim that the project is close to completion even though the majority of affectees in the Punjab zone have not been compensated even according to the low rates assessed by project authorities. This is again the violation of Land Acquisition Act that allows taking of possession before compensation only as an emergency after invoking section 17 of the Act beforehand. Majority of the affectees are still waiting for the award of the acquired land. Most shockingly, the government has recently decided to now invoke emergency provisions in section 17. The retroactive imposition of emergency provisions is against the law itself because project agencies have already previously taken possession of the land. The purpose of imposing emergency rules is just to deprive the affectees from their right to appeal. Government actions are in blatant violation also of rulings of the Shariat Bench of the Supreme Court.

The following provisions in the Appendix 6 of *ADB Guidelines for Social Analysis* were ignored and hence violated in the planning and implementation process:

- Possibility to avoid the unnecessary land acquisition was not taken into consideration.
- Majority of the project affectees were not properly informed. They were not consulted at all in the land acquisition process.
- In majority cases, awards were not made prior to the land acquisition. This violated the important guideline that makes it necessary to inventorize and value the assets before the land acquisition.
- Compensation includes only cash money and thus restricts options for affectees. The option of land for land was not even included in the package.
- Valuation of land is much below the market rate. Participation of affectees was not made possible at any stage or at any level.
- Regularization of land was required in the project area. However, project activities started in many project areas without demarcating plots and allocation of titles.

#### **4. Lifestyle disruptions, livelihood losses and threats of in-migration**

Rowed-kohi system used to play an important role in the sustenance of particular lifestyle, livelihood strategies and community supports networks in the project area. The social and cultural links-their qualitative content being dictated by this centuries old system- among the people of this area in general and along the courses of major hill torrents have been alive and strong. For years, people have made efforts to consolidate their lands along the floodwater routes. With the canal irrigation system there would be tendencies to consolidate the lands along the distributaries and the watercourses and will certainly cause social movements and disruptions. During such movements-how gradual these might be, poor and vulnerable groups stand to lose.

One of the major livelihood losses the local communities have had to bear during the years of construction of the canal was the stoppage of floodwater flows when they were also not able to benefit from canal irrigation. The losses were extensive because the Rowed-kohi agriculture was the major source of livelihood for them. Secondly, the cost of conversion from Rowed-kohi system to canal irrigated agriculture is high. This is particularly true with regard to small and poor farmers. Many of them have already started to sell lands in order to meet high cost of conversions.

The conversion cost is particularly very high for those in the canal command area who are not able to receive the canal water because of high ground level and ill-designed structures of distributaries and watercourses. Even the appraisal documents acknowledges this points and indicates that an "adverse effect" includes the "removal of access to rod kohi nullah flows for isolated areas within the CCA that will not receive irrigation water because of their high ground level. It is estimated that some 2,000 ha that presently receive intermittent rod kohi water will be affected in this way."

The disintegration of existing community support networks and disruptions in local market links caused by the project is another significant loss. The whole construction activity itself is not less than social and environmental hazard. Excavation and cutting up of the land along a distance of about a thousand miles (main canal, distributaries, watercourse, flood carrier channels, etc), while destroying trees, crops, buildings and other structures and assets has ruined large area of land. Moreover, this has disturbed the livelihood all along and all around. For example, Punjab portion of the main canal is 64 miles long and there run 52 distributaries and flood carrier channels, therefore slicing the whole area into 53 pieces, each division occurring at an average interval of 1.2 miles.

Mobility has become serious problem in the area. The location of bridges on the canal and distributaries are too far apart and thus separating one settlement to the other. Severance of community structures, especially graveyards is common phenomenon.

The rapid in-migration of tribal Pushtun is another area of concern. The appraisal document acknowledges that the project will induce major population shifts that will bring new settlers into an area that is populated by traditional peoples, almost doubling the current population levels. The appraisal document further notes that "with the advent of an intensively cultivated agricultural regime in the Project area.... population is expected to reach around 375,000 by the year 2000 as compared with the present estimate of 206,000." (Appraisal Document, Appendix 10, para. 42). Also

It notes, without comment or analysis, that “a Pashtun tribal migration of possibly historic proportions are trends at least partly attributable to the coming of the canal.” Para. 43. The appraisal also notes that “it is anticipated that there will be rapid in-migration to the Project area once distributaries are commissioned and water becomes available at the mogha.” Para. 58. Despite this anticipated rapid in-migration of tribal Pushtuns in the project area, the appraisal document throws no light on the potential adverse impacts, nor does it discuss the ways to assist traditional local communities in dealing with this situation. It is relevant to mention here that majority of local population in the D.I. Khan district belong to Siraiki speaking ethnic minority in the NWFP. The changing demographic balance is already politically sensitive issue. The project-induced in-migration of tribal Pushtuns is likely to adversely affect this balance and will create ethnic conflict. This issue has already been mentioned in the Project Performance Audit Report (PPAR) on the Chashma Command Area Development Project prepared in December 1998. The report suggested increased land values, significant inward migration, and possible ethnic tensions as a result of the Project. Para 39.

The failure to properly analyze and develop mitigation measures for extensive disruptions in Rowed-Kohi based traditional lifestyle, livelihood losses and alarming inward migration and possible ethnic tensions is the violations of many provisions of the ADB ‘s Resettlement Policy, Guidelines for Social Analysis and Policy on Indigenous Peoples.

## **5. Environmental Concerns**

In the project planning process, and preparation of initial environmental examination (IEE), the CRBIP has failed to fully comply with numerous guidelines given in the ADB Environmental Considerations in Bank Operations and in the ADB Guidelines for Social Analysis.

The project involves resettlement of 22 villages. It disrupts social and cultural fabric of the traditional hill-torrent users and poses threats to the productivity of traditional hill-torrent system. However, these aspects were totally ignored in the IIE. Similarly, channeling of several hill-torrent into single flood carrier channel accentuated erosion at the edges of the Indus River due to silt deposition -- which is not only a threat to the general habitat in the riverine areas but can cause pose special problems of survival to the endangered blind Indus dolphin.

Water logging and salinity is a very serious problem. With this regard, the findings of the Project Performance Audit Report on the (also ADB funded) Chashma Command Area Development Project are quite revealing. This command area project is one of the five components of CRBIP. The major objective of this project is to improve drainage facilities in the command area of stage I. The report indicates that 4000 hectares of land had already been adversely affected by waterlogging in stage I of CRBIP. If we were to include the lands similarly affected in stages II and III, the impact of waterlogging will be staggeringly large. With the passage of time, more land is expected to become unusable. The Project performance Audit Report concludes that waterlogging factor has significant implications for downward revisions of economic returns in the entire CRBIP.

The Appraisal takes a very minimalist view to assessing risks associated with the project. For instance, it states: “It is estimated that the use of agricultural fertilizers will increase by 56,000 nutrient tons with the intensive cropping brought about by

perennial irrigation. This increase in fertilizer use will be complemented by an agricultural extension program to ensure efficient use of the chemicals. The quantities that will eventually enter drainage and natural systems should have an insignificant environmental impact.” Appraisal Document, Appendix 10, para. 35. Despite the well-known health and environmental risks associated with chemical fertilizers, the Bank provides no justification for its conclusion that this sizable increase in use of chemicals will be environmentally insignificant.

Moreover, the increased disposal of drainage effluent will deteriorate the water quality of the Indus River and thus the aquatic life in the integrated water system of the Basin. This will inevitably affect the downstream communities in the Sind Province. As the lower riparian, Sind province is already critical about this aspect and has raised serious concerns.

The project was classified into “B” category, but that was again in violation of the ADB Environmental Considerations in Bank Operations. The provisions of these guidelines clearly demand that projects involving severe resettlement and socio-cultural impacts should be put into “C” category.

## **6. Information Sharing, Consultation and Participation of the Affected Communities**

Local communities, and especially affected people, are mostly unaware about the CRBIP and its components. There remains a serious lack of institutionalized mechanisms for information sharing and consultation with the affected people. The project implementation process has remained non-transparent and hence failed to obtain informed consent since the outset. Even the NGOs involved in the advocacy campaign have been refused important information with regard to resettlement and land acquisition, technical issues and environmental impacts. Similarly, the participation of the affected people and local communities in the process of land acquisition and valuation of property and other assets is totally missing. Rather, the villagers were threatened and physical force was used to carry out the land acquisition process. The situation is also similar in the case of involuntary resettlement. This situation is completely in violation of the underlying principles and specific provisions of ADB Resettlement Policy, ADB Guidelines for Social Analysis and ADB Environmental Considerations in Bank Operations.

### **Steps Taken to Convey Concerns to the Bank**

Since the February 2001, numerous affectees of CRBIP as well as SUNGI and Damaan have been raising the above-mentioned concerns with ADB officials at the Resident Mission and at Headquarters. However, practically little has been done to adequately address these concerns and satisfactorily resolve the issues.

SUNGI and Damaan carried out the first independent survey on CRBIP in February 2001. Both the ADB staff and the relevant implementing agencies were invited to the launch of this survey report. The Pakistan NGO Forum (PNF), representing a coalition of about three thousand NGOs and CBOs in Pakistan, hosted the launch. PNF passed a resolution that asked both the ADB and WAPDA to promptly and seriously address the issues raised in this independent survey report.

In February 2001, Mr. Akira Seki who was then the Director of Agriculture and Forestry Division (West), visited the project area. NGOs and group of affectees frankly shared their concerns with him.

In the same year, representatives of Damaan gave a presentation to NGOs and to staff of the ADB regarding concerns of affectees and demanded that immediate steps be taken to address the problems.

SUNGI staff participated in the 2001 Annual General Meeting of Asian Development Bank held in Honolulu. The issues and demands of the Chashma affectees and the concerned NGOs were part of the petition submitted directly to you. A presentation on these concerns was also given to the Executive Director and member of the Board of Governors from Japan. A separate meeting was also held with Mr. Akira Seki. He was again apprised of the situation and concerns of the affected people.

After a passage of nearly two years of persistent advocacy with the ADB, the Honolulu meeting with Mr. Seki apparently led to an internal ADB review of CRBIP. Two ADB consultants were asked to undertake the Social Impact Assessment. The draft report of consultants confirms and elaborates many concerns of the affectees with regard to flooding and resettlement, land acquisition and compensation and lack of consultation and information sharing. Subsequently, the Chashma Stakeholders' Dialogue was held in March 2002. The Dialogue failed to provide a consensus because the demands of affectees and concerned NGOs with regard to resettlement, fair and just compensation for land and livelihood disruption were not accepted by the implementing agencies. The ADB staff participating in the Stakeholders' Dialogue declined to clarify the position of the Bank with regard to compliance with the Bank's own policies. Hence affectees and concerned NGOs perceived the ADB sponsored Dialogue as an effort by ADB to impose predetermined decisions on them.

Mushtaq Gadi from SUNGI attended the regional resettlement workshop held by the ADB in March 2002 at Manila. During this trip, the entire workshop was briefed about the problems created by CRBIP. Mr. Gadi also held separate meetings with various Executive Directors and alternate Executive Directors for Pakistan, USA, Germany, Netherlands, and Japan, as briefings on the concerns of affectees. Most recently, Mr. Gadi attended the ADB Annual General Meeting held in Shanghai, China. These concerns were again shared with the senior management of the Bank, Mr. Awasaki, D.G, South Asia Region, and country delegations from Australia, Germany, Austria, Japan, Finland, and the Netherlands.

For these past two years, SUNGI Development Foundation and Damaan Development Organization have continuously kept ADB project staff informed through regular exchange of email messages. However, the serious concerns and acute problems of affectees still remain unresolved.

As representatives of the Chashma affectees, we now ask you to look into the problems and concerns raised here about CRBIP. In summary these are with regard to the issues of resettlement and adequate compensation for loss of land, other assets and livelihoods; adverse impacts on traditional *rowed-kohi* (hill-torrent) farmers; adverse environmental impacts; and overall project mismanagement including the issues of access to information, consultation and participation of affectees in decision-making and transparency in project operations.

We must request you to review and respond to this Complaint field with you under the Inspection Procedure of the Bank.

We urge your active personal interest to resolve our grievances promptly and satisfactorily, through time bound action plans and implementation based upon a participatory and consultative process.

**Attachments:**

Letter of Representation (authorization from the affectees)

Cc: ADB Resident Representative in Pakistan  
Board Inspection Committee