

COMPLAINT CLOSING REPORT

PROJECT NAME	Punjab Intermediate Cities Improvement and Investment Project (PICIIP)
ADB DEPARTMENT/DIVISION	CWRD/CWUW
AM FUNCTION	OSPF
ELIGIBILITY RESULT	Ineligible
ELIGIBILITY DETERMINATION DATE	

I. Complaint and issues	<p>Description: Complaint on Loan 3562-PAK: Punjab Intermediate Cities Improvement Investment Project (Case No. SPF-2021-01-01-104)—Eligibility of Complaint</p> <p>i) Mr. Imran Sardar resident of Chak (Village) no 66 GD Sahiwal logged a complaint on behalf of his family and other 15 DPs (in total 16 DPs representing 63 family members) for land rate enhancement as he did not agree with the board of revenue offered compensation rates for land acquired under PICIIP for wastewater treatment plant PICIIP-08-A, Sahiwal. The complainant demanded current market value for the land that has been acquired by the Government for WWTP Sahiwal.</p>
II. Actions taken to address the problems or issues	<p>i) The project had already established a robust grievance redress mechanism and efficient means of dissemination of information in the project area. Information brochures of land acquisition and resettlement plan (LARP) were prepared and translated in local language and disclosed to the DPs.</p> <p>ii) The complaint of Imran Sardar on behalf of their family members was effectively and timely logged in the project grievance redress mechanism (GRM), the register of complaints is placed at City Implementation Unit (CIU).</p> <p>iii) An Independent Valuation Study (IVS) was conducted through a third-party valuation expert accredited by the State Bank of Pakistan. The study covered the land and nonland assets and examined the full replacement costs including the fair market values, transaction costs and other applicable payments that may be required meeting the requirements of the project Land Acquisition and Resettlement Framework (LARF).</p> <p>iv) Continuous communication was maintained with the complainant and his nominated representatives since the issuance of section 5 and 5A on 24-04-2020 till the last meeting which was held on 16-05-2022. All information related to the IVS and the steps taken by the EA to ensure payment of replacement costs was provided to the complainants through consultation sessions, emails, and project information brochure.</p> <p>v) The BOR determined rate was PKR 1,649,462 per Acre whereas the IVS assessed PKR 2,484,000 per Acre as the current market value which is PKR 834,538 or 50.59% higher than the BOR rate. Board of Revenue (BOR) land rate together with the differential cost determined by the independent valuation has been received by willing 14 DPs (representing 82 family members) through the Land Acquisition Collector (LAC) office, 16 DPs (representing 63 family members) associated with the complainant have refused to receive any type of compensation. This compensation of paid DPs has been verified by the external monitor social safeguard and evidence of payment (i.e. vouchers) has been cross checked and reported in external monitoring reports prepared for the period of Jan – Mar 2022, which has been approved disclosed on ADB and EAs websites after consultation with DPs.</p> <p>vi) Entitlements are as per ADB approved and disclosed Land Acquisition and Resettlement Plans (LARP), which entails compensation at replacement cost, including the differential costs of the land and non-land assets assessed by the independent valuator. In addition, the entitled DPs have also received (a) severity allowances (b) vulnerability allowance and (c) shifting allowance to the entitled DPs. This compensation has been directly paid by the Land Acquisition Collector and evidence of payment verified by the external monitor social safeguards and reported to ADB through quarterly monitoring reports.</p> <p>vii) The EA has found that the BOR offered rate enhanced by 50% as a result of the IVS and further provided allowances for severity of losses, vulnerability and shifting as part of resettlement package, the complainant Imran Sardar still does not agree and has been reluctant to receive any compensation, mainly because he is of the opinion that the compensation amount is insufficient to purchase land of similar quality and size in the same locality, even though the EA has met all the requirements of ADB SPS 2009 and the Project LARF.</p> <p>viii) In the month of February, the complaint asked for alternative land and, following the request of ADB, the EA identified land that was available at 4 km distance from the project area that was as fertile as the acquired land and even more accessible than the acquired land. However, the complainant still did not agree. The complainant requested instead that replacement land in the same vicinity be purchased from a specified landowner by the project. However, the authorized representative of the landowner in question confirmed to the Project Management Unit and a group of DPs interested in acquiring the land in a joint meeting held on 10 May 2022, that the landowner was not willing to sell the land. Minutes of all the meetings have been prepared and maintained at PMU.</p>
i) Decisions or agreements by parties concerned	<p>ix) The EA has exhausted best efforts to resolve the complaint by providing compensation and allowances as set out in the LARP, arranging for an Independent Valuation Study and increasing the compensation, accordingly, maintaining ongoing dialogues and consultations, and identifying suitable alternative land.</p> <p>x) Furthermore, the EA has undertaken the following additional actions: (a) the unpaid DPs were formally informed in a meeting held on 10 May 2022 that the EA has met all the requirements of ADB's SPS 2009 and LARF and that the grievance has been closed (b) requested the complainant to take receipt of entitlements for compensation and allowances as per the LARP, including the IVS-based differential compensation (c) informed unpaid DPs that their compensation has been deposited in Escrow account for later receiving as per their convenience, this account is opened at the District treasury of Sahiwal and is operated by the Land Acquisition Collector (d) initiated procedures to acquire the land through the normal procedure of LAA required for the project (e) arranged for the external monitor to verify all actions mentioned above to be set out in a separate external monitoring report, the EMR is due on 30th May 2022 and once approved by ADB the report will be disclosed on EA and ADB websites.</p>
ii) Results and lessons learned	<p>xi) The complainants have been provided with enhanced compensation at replacement cost in line with the results of an Independent Valuation Study along with other entitlements for transitional assistance as per the project LARP. However, the complainant and the 16 DPs related to him are still reluctant to be paid and have requested replacement land at village (Chak) 66 GD from a landowner who does not agree to sell his land.</p> <p>Lessons Learnt:</p> <p>xii) Consultation should start early in the project cycle to carefully inform the affected persons about the project's potential adverse impacts and proposed mitigation measures being undertaken by the project to address early any anticipated grievances rather than addressing them later during project implementation.</p> <p>xiii) An assessment should have been undertaken early during project preparation on the need for IVS.</p>