



**ADB Accountability Mechanism
Compliance Review Panel**

**Annual Monitoring Report 2005-2006
to the Board of Directors**

**on
CRP Request No. 2004/1
on the Southern Transport Development Project in Sri Lanka
(ADB Loan No. 1711-SRI[SF])**

11 July 2006

Contents

	Page
About the Compliance Review Panel	ii
Acknowledgements	iii
Abbreviations, Glossary and Currency	iv
Map	vi
I. Introduction	1
II. Description of the Project	2
A. Scope	2
B. Agencies and Financing	2
C. Status of Project	2
III. Request, Panel Investigation and Board Decision.....	3
A. Request	3
B. Panel Investigation	4
C. Board decision.....	5
IV. Conduct of Monitoring Review and Course of Action	5
V. Activities and Findings	6
A. Progress in Achieving Compliance.....	7
B. General Recommendations.....	7
C. Specific Recommendations	9
VI. Conclusions.....	21
VII. Next steps	22
Appendixes	
1. Compliance Review Panel Recommendations	23
2. Course of Action to Implement the Recommendations of the Compliance Review Panel	25
3. List of Persons Met	44
4. Photos from the CRP Monitoring Mission	48

About the Compliance Review Panel

The Compliance Review Panel (CRP) is a 3-member independent body, appointed by the ADB Board of Directors (Board), which carries out the compliance review phase of the ADB Accountability Mechanism. People who are directly, materially and adversely affected by an ADB-assisted project in the course of its formulation, processing, or implementation can file a request for compliance review with the CRP after going through the consultation phase of the Mechanism.

The CRP investigates whether the harm suffered by project-affected people is caused by ADB's non-compliance of its operational policies and procedures, and recommends to the Board remedial actions. The CRP also monitors implementation of the Board-approved remedial actions and provides the Board with reports at least annually for a period of 5 years unless otherwise specified by the Board. The CRP reports directly to the Board on all activities, except for specific activities where it reports to the Board Compliance Review Committee (BCRC) to clear its terms of reference for a compliance review and to review its draft monitoring reports. BCRC is a standing Board committee of 6 members.

Currently, the CRP consists of Augustinus Rumansara as Chair, and Richard Bissell and Vitus Fernando as members.

Augustinus Rumansara is an Indonesian national. Before joining the CRP, he worked with the private sector in Indonesia at BP (formerly British Petroleum) as Vice-President for Integrated Social Strategies. Prior to that, he worked for many years with civil society organizations from grassroots community groups to regional and international NGO advocacy networks. His work included facilitating advocacy activities of Indonesian NGOs with national and foreign governments, and multilateral development banks to promote concerns for human rights, equity and justice, people's participation, good governance, sustainable development, and environment conservation.

Richard Bissell, a United States national, is an international economist currently serving as a senior executive with the National Academy of Sciences, Washington, DC. He has worked extensively in the past on enhancing community participation in development with the World Commission on Dams, the World Bank Inspection Panel, and the United States Agency for International Development.

Vitus Fernando, a Sri Lankan national, is currently working on a series of policy and institutional issues related to international development cooperation. He has held senior positions with a variety of multilateral and bilateral agencies, and at the national level, with the Ministries of Planning and Economic Affairs; Fisheries; and Environment and Forests in Sri Lanka. He was the director of the Asia/Pacific Program of the International Union for Conservation of Nature.

For more information on the CRP, visit www.compliance.adb.org.

Acknowledgements

The Compliance Review Panel (CRP) wishes to acknowledge and record its thanks to the following for cooperating with the CRP, communicating their views, and/or assisting the CRP in its monitoring of the remedial measures for the Southern Transport Development Project (STDP):

- STDP affectees including the ones that requested for a compliance review (Requesters)
- Officials from the Government of Sri Lanka, including those from the Ministry of Finance and Planning, the Road Development Authority, and the Central Environmental Authority, as well as officials from Sri Lankan institutions, including the University of Moratuwa
- ADB Management and staff at ADB Headquarters and at ADB's Sri Lanka Resident Mission
- Members of the ADB Board of Directors
- Japan Bank for International Cooperation (JBIC) officials in its Representative Office in Colombo
- STDP consultants including Finnroad, Halcrow Group Ltd, Pacific Consultants International, Sarvodaya Economic Enterprise Development Services (Gte) Ltd, Center for Poverty Analysis, and Center for Creative Response and Consultancies (Pvt) Ltd and
- NGOs including Bank Information Center, USA; Friends of the Earth Japan; NGO Forum on ADB; and Oxfam Australia.

Abbreviations, Glossary and Currency

Abbreviations

ADB	Asian Development Bank
AP	affected people/person
BCRC	Board Compliance Review Committee
BME	benefit monitoring and evaluation
CA	Course of Action
CEA	Central Environmental Authority
CEPA	Centre for Poverty Analysis
CRP	Compliance Review Panel
CT	combined trace
EIA	environmental impact assessment
EMP	Environmental Management Plan
ERM	External Resettlement Monitor
FT	final trace
GOSL	Government of Sri Lanka
IRP	income restoration program
JBIC	Japan Bank for International Cooperation
LARC	Land Acquisition and Resettlement Committee
MC	Management Consultant
MIS	Management Information System
MOH	Ministry of Highways
MOU	Memorandum of Understanding
NDF	Nordic Development Fund
OM	Operations Manual
PMU	Project Monitoring Unit
PP	project profile
RDA	Road Development Authority
RIP	Resettlement Implementation Plan
RRP	Report and Recommendation of the President
RSC	road safety component
SARD	South Asia Department
SEA	supplementary environmental assessment
SEEDS	Sarvodaya Economic Enterprise Development Services (Gte) Ltd
SHC	southern highway component
SLRM	Sri Lanka Resident Mission
STDP	Southern Transport Development Project
TA	technical assistance
TOR	terms of reference

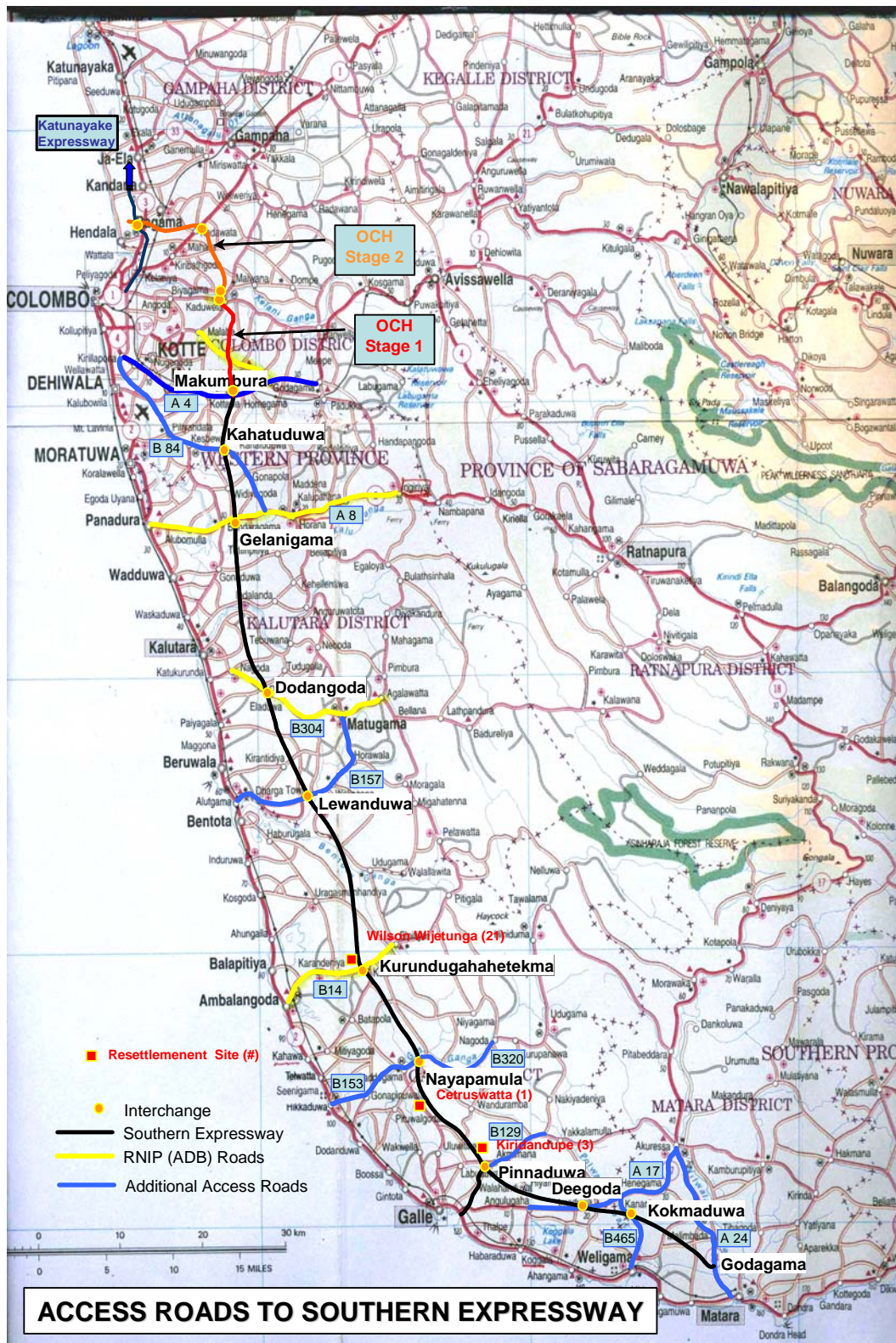
Glossary

km	kilometer
Grama Niladhari	village level administrator

Currency

\$	US dollar
Rs.	Sri Lankan rupee

Map



I. Introduction

1. In December 2004, the Compliance Review Panel (CRP or Panel) registered a request for compliance review (Request) on the Southern Transport Development Project¹ (STDP or Project) in Sri Lanka. The Request was submitted by the Joint Organization of the Affected Communities of the Colombo Matara Highway (JO or Requesters). The CRP determined that the request was eligible, and ADB's Board of Directors (Board) authorized the CRP to conduct a compliance review. The Panel reviewed and investigated the request and submitted to the Board its Final Report with its findings and recommendations in June 2005. The Board decision was to approve the Panel recommendations.²

2. Following the Board decision, the Panel has been monitoring ADB Management's implementation of the remedial actions – both general and STDP-specific – and this report serves as the Panel's first annual monitoring report on the progress in complying with the Board decision and bringing the Project into compliance. In carrying out its monitoring task, the CRP has examined the range of issues covered in its Final Report; utilized the Course of Action (CA) designed by Management as the framework of its review; and noted various views expressed by ADB staff, NGOs and civil society on ADB Management's implementation of the CA. The CRP has also discussed and obtained feedback from ADB staff in its Headquarters and in the Sri Lanka Resident Mission (SLRM),³ Japan Bank of International Cooperation (JBIC), STDP consultants, officials from the Government of Sri Lanka (GOSL), and STDP affectees⁴ during the Panel's monitoring mission in Sri Lanka from 30 May to 6 June 2006.

3. In accordance with paragraph 48 of the CRP Operating Procedures, the CRP forwarded on 16 June 2006 a draft report to the Board Compliance Review Committee (BCRC) for its review, followed by a revised draft on 30 June 2006. The CRP finalized this report in consultation with the BCRC.

4. This monitoring report outlines the following:

- a description of the STDP, with its scope and cofinanciers
- a brief account of Management's measures to comply with the Board-approved recommendations and to bring the Project into compliance
- the salient issues and findings identified by the CRP in its monitoring work and
- CRP's conclusions and recommendations on Management's measures to comply with the Board-approved recommendations and to bring the Project into compliance.

¹ ADB. 1999. Report and Recommendation of the President (RRP) to the Board of Directors on a Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Southern Transport Development Project (R189-99), at <http://www.adb.org/Documents/RRPs/SRI/rrp-R189-99.pdf>.

² The recommendations are included here in Appendix 1, taken from paragraphs 267 and 268 of the CRP Final Report. This report and other related information on the STDP request are available on the CRP website www.compliance.adb.org and provided in the CRP's Registry.

³ The STDP has been delegated by South Asia Department (SARD), the operations department, to SLRM to administer the project.

⁴ The CRP monitoring mission included a 3-day field visit to the project area where the Panel met STDP affectees including the Requesters.

II. Description of the Project

A. Scope

5. The STDP has 2 components – a southern highway component (SHC) and a road safety component (RSC).⁵ The SHC consists of the construction of a new highway linking Colombo with Galle, the capital of the Southern Province of Sri Lanka, and Matara; and the RSC is to address Sri Lanka's serious road traffic accident situation. The highway will be about 128 km, and in addition, a 6-km Galle access road. STDP also supports policy and institutional reform. STDP has a 2-fold primary objective: to spur economic development in the southern region of Sri Lanka and to significantly reduce the high rate of road accidents. The STDP's secondary objective is poverty reduction.

B. Agencies and Financing

6. STDP is funded by ADB; JBIC; GOSL; the Nordic Development Fund (NDF); and the Swedish International Development Cooperation Agency (Sida). The total Project cost was estimated in ADB's Report and Recommendation of the President (RRP) at \$295.9 million, with main financing from JBIC (40%), ADB (30%) and GOSL (26%) as the borrower.⁶ Sida finances consulting services for the RSC while NDF finances consulting services and equipment supply under the RSC, and project management consulting services for the SHC.⁷ Based on surveys and detailed designs, the Panel understands that the actual highway construction is 126.2 km, with JBIC financing 66.6 km of the northern part of the highway component and ADB financing 59.6 km of the southern portion. ADB is also financing the 6-km Galle access road in the ADB section of the Project highway. STDP is implemented by the Road Development Authority (RDA) as executing agency for the SHC.

C. Status of Project

7. The Board approved the ADB loan for the Project in November 1999, with an expected project completion date of 31 December 2005. The Loan Agreement (between ADB and the Democratic Socialist Republic of Sri Lanka, as the borrower) and the Project Agreement (between ADB and RDA) were signed in December 1999. The ADB loan was declared effective in October 2002 due to delays in complying with loan effectiveness conditions, particularly the submission of a satisfactory resettlement implementation plan (RIP). All cofinancing agreements are in place.

8. As of 31 May 2006, about \$47 million or 49% of the ADB loan has been disbursed. All contract awards under the ADB loan have been made. The overall physical progress under the ADB section is 46%. On 2 June 2006, the loan closing date scheduled on 31 December 2006 was extended to 30 June 2008. Under the ADB and JBIC sections, the entire length of the trace has been delivered to the respective contractors for construction, which is a significant change from 1 year ago. The ADB section has 1 package for a 2-lane highway and the work is expected to be completed in February 2008. The JBIC section has 2 contract packages. Package 1 for a 4-lane highway, closest to Colombo, was awarded in April 2005, and package 2 for a 2-lane

⁵ ADB. 1999. *Report and Recommendation of the President (RRP) to the Board of Directors on a Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Southern Transport Development Project (R189-99)*, at <http://www.adb.org/Documents/RRPs/SRI/rrp-R189-99.pdf> at para. 47.

⁶ Ibid. para. 55.

⁷ Ibid, ii.

highway (and which is likely to be 4-laned) was awarded in March 2006. Completion of these 2 packages is expected in September 2009 and March 2010.



Construction activity in ADB section of the Project highway in Akmeemana

III. Request, Panel Investigation and Board Decision

A. Request

9. The harm suffered or to be suffered by the Requesters as a result of noncompliance by ADB with its operational policies and procedures under the Project were claimed to be loss of homes, loss of livelihoods, damage to the environment, degradation to wetlands, dispersion of integrated communities, damage to 5 temples, negative effects of resettlement, and human rights violations.

10. The Requesters specifically stated alleged violations of ADB's operational policies and procedures which have caused harm to them, including environment; involuntary resettlement; incorporation of social dimensions in ADB operations; governance; economic analysis; benefit monitoring and evaluation; gender and development in ADB operations; processing of loan proposals; and formulation and implementation of loan covenants.

11. The Requesters sought remedies from ADB including:

- (i) payment of full compensation for resettlement;
- (ii) conduct of gender analysis;
- (iii) reconsideration of the best alignment for the road trace in order to minimize the number of persons to be resettled;
- (iv) conduct of an initial social assessment for the final trace (FT);

- (v) provision of adequate land to persons for replacement;
- (vi) completion of an environmental impact assessment (EIA) for the FT;
- (vii) full consultation with affected people after completion of the new assessment documents; and
- (viii) as first steps, suspension of disbursements under the loan, and a full investigation of the highway by an independent committee.

B. Panel Investigation

12. The Panel's investigation revealed the following findings which Management needed to take into consideration in implementing the Panel recommendations, which were stated in the CRP Final Report:

- (i) **Operations Manual (OM) Section 20⁸: Environmental Considerations in Bank Operations.** The CRP finds that Management cannot be satisfied with the sufficiency of the environmental impact assessment (EIA) done in 1999 and the ensuing Environmental Findings Report (EFR) for the ADB section. Also, the Galle access road has not received an adequate review of its environmental impacts, and some stretches of the FT well away from the CT [Combined Trace] need more attention. Public information and participation in the environmental review process has been inadequate since late 1999.
- (ii) **OM Section 21⁹: Gender and Development in Bank Operations.** The CRP finds ADB out of compliance before Board approval where no gender analysis was done although the RRP stated that the Project had significant impact on women. After Board approval, the commitments made for special gender action plans have not appeared in the implementation or monitoring details of the Project.
- (iii) **OM Section 22¹⁰: Benefit Monitoring and Evaluation.** The CRP, in reviewing both the benchmark analysis in the project documentation, as well as the monitoring system that has been developed to date, comes to the conclusion that the Project cannot be in compliance with this OM until further steps are taken.
- (iv) **OM Section 40¹¹: Formulation and Implementation of Loan Covenants.** Since the CRP finds that various policies and commitments have not remained in compliance over time, especially with regard to resettlement, the failure of Management to restore compliance is, by itself, a matter of non-compliance with OM Section 40 since many of the issues involved commitments made at Board approval, and in the RRP and the Loan Agreement.
- (v) **OM Section 47¹²: Incorporation of Social Dimensions in Bank Operations.** The loss of compliance with this OM Section derives in part from the shifting of the traces, along with an absence of analysis of the Galle access road. The emphasis of the OM, however, is on the vulnerability of certain population groups and households, which need to be identified and assisted throughout the process

⁸ Issued 7 January 1997.

⁹ Issued 7 January 1997.

¹⁰ Issued 7 January 1997.

¹¹ Issued 12 December 1995.

¹² Issued 7 January 1997.

to ensure they are better off after the project is completed. The weakness of the Management Information System (MIS) and the rudimentary income restoration program are serious breaches of compliance that will pose major challenges to bring the Project back into compliance with this OM.

- (vi) **OM Section 50¹³: Involuntary Resettlement.** The CRP concludes that compliance with this OM Section has been problematic since Board approval, with significant shifts of the trace without public participation. The CRP is also concerned about Management's inattention to independent monitoring and the need for supporting performance in the areas of compensation and resettlement.
- (vii) **Project Administration Instruction (PAI) No. 5.04¹⁴: Change in Project Scope or Implementation Arrangements.** The CRP has identified a number of major changes in the Project that might normally trigger a review by the operations department, and believes that the Project is out of compliance until a formal determination on the change of scope issue has been settled.

C. Board decision

13. In July 2005, the Board deliberated on the CRP Final Report, including the Panel's recommendations – general and STDP-specific. The Board approved the Panel recommendations (see Appendix 1).

IV. Conduct of Monitoring Review and Course of Action

14. The CRP's terms of reference (TOR) for monitoring are spelled out in paragraph 47 of the CRP Operating Procedures: "CRP will monitor implementation of any remedial actions approved by the Board as a result of a compliance review. Unless the Board specifies a different timetable, CRP will report as frequently as required or at least annually for a period of 5 years to the Board on implementation of Board decisions related to remedial measures, including its determination of the progress in bringing the project into compliance."

15. Mr. Rumansara is the Lead Post-Decision Monitor for this monitoring review and was assisted by Mr. Bissell, CRP Panel Member and the CRP secretariat. ADB Vice President (Operations 1) is the focal point for ADB Management in implementing the remedial actions, while the Director General, South Asia Department (SARD) is responsible for the day-to-day activities.

16. ADB Management prepared the CA to implement the remedial measures and provided it to the CRP on 31 August 2005, the deadline specified in the CRP recommendations. The Panel noted that Management consulted with GOSL and JBIC in preparing the CA but not with the Requesters. The Panel advised Management to invite the Requesters for a meeting to seek their views on the project-specific recommendations applicable to them, before coming back to the Panel with a revised CA. The Panel understands that SLRM had meetings with the Requesters in October 2005 and the CA was finalized by ADB Management when it presented its February 2006 progress report to the Panel. The Panel understands that ADB incorporated their comments "to the extent possible".¹⁵

¹³ Issued 7 January 1997.

¹⁴ Issued December 2001.

¹⁵ Letter from Director General, SARD to Oxfam Australia of 28 April 2006.

V. Activities and Findings

17. The CRP reviewed 3 progress reports on the implementation of the CA provided by ADB Management; progress reports dated 27 October 2005, 8 February 2006, and 28 April 2006; additional documents and information provided at the request of the Panel;¹⁶ and additional material provided by ADB during and after the Panel's monitoring mission in Sri Lanka from 30 May to 6 June 2006. As Mr. Rumansara was unable due to health reasons to take part in the mission, he appointed Mr. Bissell as the Lead Post-Decision Monitor during the mission period. The monitoring mission led by Mr. Bissell was assisted by the CRP secretariat – Mr. R. Zelius, Mr. S. Nanwani, and Ms. M.A. Virtucio – and an interpreter, Mr. D.P.L. Walter Silva.

18. During the Panel's monitoring mission in Sri Lanka from 30 May to 6 June 2006, the CRP met with and obtained feedback from ADB staff in its Headquarters and in SLRM; JBIC; STDP consultants; GOSL officials including those from the Ministry of Finance and Planning, RDA, and the Central Environmental Authority (CEA); civil society; and STDP affectees. The CRP discussed with SLRM updates on the implementation of the CA and was provided by the SLRM the latest CA as of 31 May 2006. This latest CA update as of 31 May 2006 is in Appendix 2 (with the last column on "Compliance Status" filled in by the Panel based on its determination of the progress made on each recommendation).

19. In addition to consultations in Colombo, the CRP carried out a 3-day field visit to the project area where it met and interviewed STDP affectees including the Requesters, RDA officials at the regional level, and STDP consultants. During the field trip, the CRP obtained feedback from the STDP affectees on their concerns. The Panel also received allegations from several affectees that they had suffered discrimination on their resettlement issues as a result of using the ADB Accountability Mechanism. The Panel could not confirm their complaints and is of the view that there should be no penalty against those who avail of grievance mechanisms.

20. The CRP also visited sites of serious environmental impact along the highway and visited 6 STDP resettlement sites, 5 in ADB section (Hallalawatta, Eththalahena, Kailawatta, Kekirihena and Nakudumbiyawatta)¹⁷ and 1 in JBIC section (Diyagama).¹⁸ The CRP also visited regional offices including the STDP Project Office in Galle and the Complaint Center. The list of persons, including STDP affectees, met by the Panel during the mission is in Appendix 2. Some photos from the Panel monitoring mission are in Appendix 4.

¹⁶ The information included back-to-office reports including an Aide-Memoire provided by SARD from September to December 2005 covering ADB's review missions on STDP in September, October, November, and December 2005.

¹⁷ The CRP noted that the Board had visited 2 STDP resettlement sites (Eththalahena and Kekirihena) in March 2006.

¹⁸ The CRP visited this site in its investigation of the request in April 2005.



Project affectees discussing their concerns, Akmeemana

A. Progress in Achieving Compliance

21. The CRP provided 2 categories of recommendations resulting from its investigation in this Project – measures addressing issues that may cause difficulties in complying with ADB's operational policies and procedures in ADB-assisted projects, and measures relevant to current implementation problems necessary to bring the Project into compliance. The Panel records below for each recommendation, the progress in achieving compliance, its findings on the effectiveness in complying with the recommendation, and its determination on compliance status. This status is reflected in the last column of the updated CA in Appendix 2. The cut-off date for the Panel's assessment is 6 June 2006, the last day of the Panel's monitoring mission.

B. General Recommendations

22. **General Recommendation 1:** Management should review selected road projects as to how changes of scope may make the application of environment and resettlement policies more difficult.

- Management indicates that the completion of its planned study on this topic has been delayed from March to May 2006.
- The Panel wishes to make clear that its intent in this recommendation was that ADB should assess the potential for weakening of application of safeguard policies when minor or major changes are made. It seems clear, in the case of STDP, that the environmental safeguards were weakened with the changes of trace and stakeholders at each project stage until the Final Trace. Indeed, there

is a general issue of how to differentiate "minor" from "major" changes in scope, and Management needs to be clear about the criteria to be applied.

- There is a delay in the necessary steps to implement this recommendation. The Panel has not, as of 6 June 2006, received from Management the study report or a draft thereof for review.
- The Panel finds that Management has not complied with this recommendation.

23. General Recommendation 2: Management should review cofinancing arrangements in selected projects to determine if such arrangements have a damaging effect on policy compliance for the whole project, and make recommendations to strengthen policy compliance for these projects.

- Management has decided to incorporate this task into the overall safeguards policy review, and reports that it has delayed completion of this review from March to May 2006.
- There is a delay in implementing this recommendation, and the Panel has not, as of 6 June 2006, received from Management the study report or a draft thereof for review.
- The Panel finds that Management has not complied with this recommendation.

24. General Recommendation 3: Management should develop additional guidance for ADB's *Handbook for Resettlement: A Guide to Good Practice* dated 1998 for staff to develop major infrastructure projects with borrowers with little or no comparable project experience, especially in Category A projects. The guidance should particularly address the issues of implementing agencies having adequate institutional capacity and resources in carrying out and monitoring resettlement and ensuring that appropriate legislation is in place to carry out such resettlement.

- Management has been working on the update of the Handbook since July 2004, with final drafting dependent on several other tasks: completion of the technical assistance (TA) REG-6091 on "Capacity Building for Resettlement Risk Management" being carried out in the People's Republic of China, India, and Cambodia; and the Safeguards Policy update. It reports that it will complete the Handbook work 3 months after Board consideration of the ADB Policy Statement on Environment and Social Safeguards now set for November 2006 but more likely to occur in 2007.
- There is a delay in the implementation of this recommendation. The Panel understands that a draft is still in circulation among staff for review and revision.
- The Panel finds that Management has not complied with this recommendation.

25. General Recommendation 4: Management should provide to the CRP with a copy to the Board, by 31 August 2005, a course of action (CA) with timelines on implementation of these measures for the CRP's monitoring and reporting to the Board.

- Management forwarded to the CRP, with a copy to the Board, by 31 August 2005 CA. The CRP gave its comments for Management to revise the CA, including the need to consult with the Requesters on recommendations applicable to them.
- The Panel understands that Management has released an updated CA attached to its April 2006 progress report to stakeholders who requested it. The stakeholders expressed appreciation for Management's sharing the CA, and the Panel urges Management to continue this open information approach with interested stakeholders.
- The Panel finds Management has complied with this recommendation.

C. Specific Recommendations

26. Specific Recommendation 1: Management should assess the environmental impacts of the Galle access road and any stretch of the ADB section on the Final Trace (FT) different from the Combined Trace (CT) including consulting project-affected people.

- ADB commissioned a revision of the supplementary environmental assessment (SEA), and a draft has been reviewed by ADB and RDA. Revisions are underway, with the intention of achieving final submission of the report to ADB and RDA by mid-June 2006.
- The reaction of ADB to the draft SEA was that it did not adequately cover all of the necessary elements, which may necessitate a further delay in meeting deadlines. The Panel found, in the course of this field visit and in discussion with people involved in drafting the SEA, that there were likely to be few fundamental changes in the assessment of the underlying environmental conditions, but that there will be important implications for the Environmental Management Plan (EMP), particularly with regard to managing drainage issues and slope stabilization problems associated with construction.
- The Panel understands that SEA will not be reviewed or approved by the CEA, as it considers the 1999 EIA to be adequate under Sri Lankan law to cover the subsequent changes in and additions to the road alignment. In the absence of any public consultation by GOSL on the SEA, the Panel is of the view that ADB needs to make arrangements for the SEA to be available to the public for a specified comment period.
- The Panel has not received the SEA and notes that no consultations have taken place.
- The Panel finds that Management has partially complied with this recommendation.

27. Specific Recommendation 2: Management should ensure the incorporation of the environmental impact assessments and the recommended mitigation measures of any stretch of the ADB section on the FT different from the CT and of the Galle access road in the Environment Management Plan (EMP) for the Project.

- Management is undertaking a series of steps to meet this recommendation, including the SEA report and consideration of revisions to the EMP based on inputs from the SEA. The Panel understands ADB will review the revised EMP and CEA's informal endorsement will be obtained on the revised EMP.
- According to Management, the completion of the SEA report was delayed from February to March 2006, and the revised EMP is postponed to June 2006. The ADB also intended to create a quarterly environmental report for the ADB website beginning in the first quarter of 2006, but now set for June. The continuing relevance of this recommendation was evident on this monitoring mission, with significant time and resources dedicated to dealing with underestimates of various environmental impacts of the construction activity: vibration and house damage from blasting, additional quantities of rocks and excavated material, noise pollution, drainage failures, and dust.
- The Panel has not received a revised EMP as of 6 June 2006.
- The Panel finds that Management has not complied with this recommendation.

28. Specific Recommendation 3: Management should review the cofinancing arrangements in the STDP with a view to strengthening policy compliance for the whole project.

- ADB undertook discussions with JBIC on joint strengthening of compliance in September/October 2005, with a view to ensuring strong monitoring of project compliance with the safeguard documents covering both segments of the highway: EMP, RIP, and the income restoration program (IRP). The signature of the joint Memorandum of Understanding (MOU) described below, along with the monthly meetings of the Project Coordinating Committee, focused on underpinning the day-to-day policy coordination.
- ADB plays a leading donor role in road projects in Sri Lanka. The RRP presented to the Board for its approval covered the entire Project, with total project cost of various cofinanciers, including JBIC. The management consultant services from Finnroad were paid by a third cofinancier, NDF. On JBIC cofinancing, after Board approval of the Project, the Project has effectively been treated as two separate projects, with ADB and JBIC having their own detailed design consultants and administering their respective components.
- Following on the discussion of this issue in the Panel's Final Report, that the 2 parallel financiers needed to make clear the application of ADB's environmental and involuntary resettlement policies to both sections, ADB and JBIC negotiated an MOU, which was signed on 31 March 2006. The MOU does not address this issue. Instead, the MOU states that "Each party will be responsible to ensure that commonly agreed standards and environmental and social safeguards would be applied in the section of the Project such party is financing." Noting that each party has already effectively treated the Project as 2 separate projects, this reference is unfortunate. It does not attempt to address the event of conflict between policies of the two financiers and may create the possibility of ADB derogating from its own compliance.

- The MOU otherwise focuses on the implementation process, noting that both agree to adopt a single EMP, RIP, and IRP, as well as a common external resettlement monitoring agent, to implement and monitor the Project in both sections "where possible". It also notes the important role of the Project Coordinating Committee, chaired by the Secretary of Highways with secretariat support from the Management Consultant (MC), with its tripartite representation of ADB, JBIC, and GOSL, to reach decisions on issues common to both sections of the highway. The monthly Project Coordination Committee (PCC) meetings address an extensive agenda of challenges.
- The Panel remains concerned about the MOU in that Management has not taken steps to ensure strengthening of policy compliance for the whole project, as stated in the Panel recommendation. The Panel is concerned about the failure of the MOU to resolve in advance any potential situations where the policies of the two agencies could come into conflict.
- The Panel is of the view that Management has not adequately strengthened policy compliance for the entire project through this MOU. While there is some utility in the MOU, the mere affirmation of existing frameworks (EMP, RIP, and IRP) to the entire highway does not settle the basic question. The failure of the MOU to settle clearly the issue raised in this recommendation makes even more urgent serious attention to General Recommendation 2.
- The Panel finds that Management has partially complied with this recommendation.

29. Specific Recommendation 4: Management should conduct an analysis of gender issues on the Project and ensure that the programs under the Project adequately address these gender issues.

- ADB has looked at gender issues in 2 approaches to bringing compliance – as a discrete topic and in the context of the IRP. It launched a monitoring process that involved both the External Resettlement Monitor and with Sarvodaya Economic Enterprise Development Services (Gte) Ltd (SEEDS), the NGO in charge of the IRP. A consultant (from Creative Center for Creative Response and Consultancies (Pvt) Ltd) was tasked with conducting a study of gender concerns and after comments from SLRM and ADB on a draft, that report will be submitted in final form in June 2006.
- The Panel was provided the draft report of the consultant on gender issues. It also reviewed the translation of that plan into a set of proposed concrete actions, short-term to long-term. The Panel notes that there are many steps that require coordination among ministries, levels of government agencies, and community organizations for these proposals to be effective. The Panel urges Management to utilize its dialogue with GOSL to make that coordination possible, especially with regard to meeting the long-term social and economic needs of vulnerable women among the affected families.
- The Panel was able to discuss with the consultant the draft recommendations in the final version of the report. One of the recommendations is that the procedure of compensation payments be reviewed to ensure that there is no discrimination

or partial treatment of all affectees, including women-headed households. The Panel is of the view that ADB Management should resolve this contentious matter where affected peoples complain of different treatment according to stages of the project.

- The Panel urges ADB to exercise a coordinated approach in terms of integrating the various reports generated by the various STDP consultants such as the Centre for Poverty Analysis (CEPA) under TA 4748 SRI on the External Resettlement Monitor (ERM) and SEEDS under the IRP, and using the emerging databases such as MIS to have a consistent approach in terms of remedial actions taken under the Project for both sections.
- The Panel also urges Management to avail itself of the emerging databases (e.g., MIS) to identify the needs of women in the project area and fashion effective interventions through the IRP.
- The Panel finds that Management has partially complied with this recommendation.

30. Specific Recommendation 5: Management should require that all affected persons (APs) be fully compensated by actual payment before they are moved.

- ADB states that it has repeatedly reminded GOSL of the need to provide full compensation before land is acquired and the residents are relocated. It has monitored progress on the ground through the MC and ERM reports, along with spot checks of those resettled. ADB notes that the Treasury of the GOSL, at its urging, has been releasing funds on a more timely basis for compensation of landowners.
- Statistical reports to the ADB indicate that all families had been resettled from the ADB section, with two-thirds opting for self-relocation. In the JBIC section, only 40 families out of 585 had not yet resettled as of October 2005. As of May 2006, it was expected that all payments, including interest, would be completed. This has not happened.
- The Panel reviewed progress on this issue at various levels: through the MIS that catalogs all affected families, through discussion with SLRM and with Finnroad, and by random interviews with affected families. The Panel found compensation remains a contentious issue between the affected families and the RDA. Indeed, the lack of resolution on compensation visibly damages the ability of other agencies, such as that carrying out income restoration, to become operational in resettlement sites.
- The sources of grievances by many affected people met by the CRP are several: incomplete payment of the full amount; failure to provide a detailed certificate of compensation payment; delays in providing new land titles; lack of information to invest the compensation proceeds wisely; the refusal to recognize specific claims on items such as trees and other crops; and invidious comparisons of compensation rates for apparently same plots of land. Affectees are unclear as to what constitutes "full compensation"; basic compensation; the additional compensation awarded at Land Acquisition and Resettlement Committee (LARC)

or Super-LARC; the 25% bonus awarded for timely departure from the land; and/or interest payable for delay of payment. Practice appears to vary somewhat from one division to another, according to the views of the Divisional Secretariat, with consequent damage to the credibility of the entire project.

- The Panel finds that, given RDA's limited historical experience with carrying out a resettlement exercise of such magnitude in a greenfield project, ADB should have assisted RDA in dealing with these concerns by having a more rigorous and transparent methodology for valuation, and a stronger process of affectees' consultation with genuine transparency. Even at this late date, there is still time for ADB to take steps to reassure people with concrete timetables for payments and transparent rationales for their compensation payment certificates. This can be done through the brochure containing the essential elements of the RIP and have the peoples' concerns be re-addressed at the Complaint Center of the STDP project offices or be forwarded to the Public Affairs Division of the Presidential Secretariat which also handles public grievances.
- Because all affected families have been moved and some have not yet received full compensation, the Panel finds that Management has not complied with this recommendation. Any attempt to achieve compliance on this issue has been overtaken by events.
- The Panel does believe, however, that there are important lessons from the incomplete compliance with this policy to be included in the ADB's *Handbook for Resettlement: A Guide to Good Practice* and future reviews of the involuntary resettlement policy.



A house under construction of a self-relocated project affectee in Keselgahena-Gulana, Akmeemena

31. Specific Recommendation 6: Management should determine whether or not there has been a change of scope in the Project, as provided in Project Administration Instruction No. 5.04.

- Management has chosen to interpret this recommendation as an opportunity to undertake a change of scope, and the necessary studies, including an SEA, are underway as part of that process.
- Management does not appear to have addressed the basic question as to whether a change of scope should have been undertaken when major changes in the trace were made with resulting socio-economic impacts, including dramatic increases in resettlement cost figures and the number of affected people. The Panel hopes that the ADB will address that question immediately rather than wait for other events. By not addressing this issue, directions and guidance to staff in handling similar situations will not be clear.
- The Panel finds that Management has not complied with this recommendation.

32. Specific Recommendation 7: Management should assist in the income restoration program and the establishment of household benchmarks through the Management Information System (MIS) for the APs as called for in the Resettlement Implementation Plan (RIP).

- ADB provided assistance to the revision and updating of the MIS through TA 4315, and the Management Consultant has taken a key role in virtually completing the transfer of data from paperwork to the database. Separately, ADB continues to monitor the launch and implementation of Phase 1 of the income restoration program (IRP). The draft IRP had been submitted to ADB in November 2005, and with comments, the final plan along with implementation proposals were in hand by January 2006.
- With regard to updating the MIS, some progress had been made by February 2006 (all records in the ADB section, covering 5,127 lots, were complete). The JBIC section has come along more slowly, with one-third of the lot records updated in the same time frame, but with an ambitious goal of completing the job by May 2006. The Panel understands that the target has now been extended to June 2006, as 3,992 files of the JBIC section were completed with a balance of 583 files remaining.
- The Panel reviewed the MIS work and received an extensive demonstration of the power of the database, along with the quality of assistance provided by ADB, and found that a great effort had been made to create an accurate database. There is room for improvement of the database such as inclusion of Super-LARC referrals and maintenance of accurate addresses of self-relocatees, which constitute more than 60% of the affected families resettled under the Project. Within a matter of months, the staff established a high-quality system for maintaining and retrieving data on every resettlement transaction. The limitations of the data are only the value of the information taken from the paperwork folders that previously constituted the resettlement files. Inconsistencies in recording the information over many years cannot be reversed easily at this late stage. Despite its limitations, the MIS should be of value when completed by June 2006 with the

completion of the remaining files, and could be drawn upon for improving compliance in many other aspects of the Project, such as gender and income restoration.

- The Panel also found that the database is probably not sufficiently robust on most income/wealth measures to serve as a benchmark for accurate BME activities. The self-reporting process in the MIS is open to over- and under-estimates on a substantial scale. On the other hand, the discussions about the approach to the IRP involve potentially useful methodologies for measuring income change and have to be finalized.
- The Panel reviewed the progress on the IRP, especially the plans for implementation. The Panel found the IRP to be a work in progress. RDA is still in discussion about the design of the IRP and possible contractors to carry out the work. Disagreements derive, in part, from the diverse communities and income levels brought together in particular resettlement sites – the poor and elderly need a very different kind of restoration program than do the young families with a need for lifelong training and job skills. Management needs to press for establishment of the Program, for its obvious value in healing the damage to the Project from the resettlement process.
- Until the noted disagreements are resolved and the IRP is established, the Panel finds that Management has not complied with this recommendation.

33. Specific Recommendation 8: Management should ensure that full project information, especially the essential elements of the RIP, be provided in an appropriate language to each household already affected or in the alignment to be affected, rather than simply making it available at the district offices.

- ADB has undertaken rather intensive monitoring to determine whether affectees have full information about the details of their entitlement. The evidence has been quite mixed on this question. ADB has thus decided, in consultation with RDA and Ministry of Highways (MOH), to take additional measures to provide supplementary information to the affected people. This new brochure was discussed at the monthly PCC meeting in April 2006.
- The Panel reviewed the draft of the brochure, and the work of ADB in bringing about this heightened awareness to public information on the part of the implementing agencies. The brochure remains in draft status at the time of completing this report, as additional comments were received from various sources. The Panel understands that the brochure will be produced as an ADB publication, translated into local languages (Sinhala and Tamil), and distributed through standard GOSL channels to the general population, especially those directly affected by the Project. The Panel recommends to ADB that the brochure be distributed to both the project affectees in STDP resettlement sites as well as to the addresses of all self-relocatees.
- The Panel also found continuing complaints about the availability of the RIP in local resource centers. The Panel undertook a spot check of several locales in Bandaragama on a Saturday (the best day for people to undertake an errand to check RIP entitlements or seek further information): the Divisional Secretariat

was closed though several officers were working overtime; the STDP Project Office could not make it available because the resettlement staff had it under lock and key, and were not present; and the local library was able to provide it. On a subsequent separate spot-check in Galle, the STDP Project Office had multiple copies available in both Sinhala and English, with copies available to take away, together with summaries of the entitlement matrix spelled out in poster-size presentations. The Panel is of the view that information availability on the Project and RIP has improved.

- The Panel finds that Management has partially complied with this recommendation.



STDP Project Manager, ADB section (second from right) updating the CRP monitoring mission members on STDP activities

34. Specific Recommendation 9: Management should help establish well-staffed monitoring of resettlement activities by an independent institution, forwarding concerns to RDA for urgent action from the APs.

- ADB recruited through TA 4748 (and in coordination with JBIC) an independent External Resettlement Monitor (ERM) team, to take over the work performed by the MC who was funded by NDF. After a selection process, CEPA was hired and mobilized in April 2006. CEPA's final inception report dated 18 May 2006 was provided to the Panel.
- ADB sought to obtain input from affected people with regard to the design of the ERM, so that the ERM could serve as an effective bridge between the AP and their concerns, on the one hand, and the ADB and the RDA on the other hand.

- The Panel discussed the setup of the monitoring mechanism with the stakeholders concerned, as well as with CEPA. The Panel found that Management has identified an independent institution, but developed a TOR that is not focused on dealing with specific concerns of the APs. Instead, the ERM will be undertaking a 2-year study of what has been positive and negative about the resettlement process. This is a very significant shift from the approach of the MC, which had a highly operational attitude about the monitoring process. The Panel understood from discussion with the ERM team that they did not plan to deal with grievances. It hardly needs to be pointed out that, even though all the affectees have left their original properties to move to other sites, the resettlement program is far from complete in terms of needed interventions.
- The Panel reviewed the Final Inception Report and notes that 1 of the more specific objectives of the TA is to enable "RDA to respond more effectively and equitably to the concerns of APs (men, women, and children), and address any shortcomings in the implementation of the resettlement plan". The Panel assumes this to be the main task of the TA consultants, i.e., to be an independent and impartial institution which can forward concerns to RDA for urgent action from the APs. Instead, the parameters of the TA have shifted to include "the development of a number of technical papers on resettlement monitoring framework and evaluation" which could result in a CEPA/RDA "sourcebook" for resettlement monitoring.¹⁹ A second element states that "independent external monitoring of the STDP against ADB and JBIC policies and guidelines forms a very good case study in 'learning' experience for ADB's accountability mechanisms, and as importantly in reassessing its resettlement policy".²⁰ It is not clear how the latter elements will assist the APs. The Panel urges ADB to reconsider the balance and phasing of tasks emerging in this 2-year TA. One can understand the completion of the process to be identification of lessons learned, but at the first stages, those resettled will find it hard to engage with the ERM unless the people see something of value for them.
- At the same time, the GOSL appear to be taking feedback and concerns from the public seriously. The Panel understands that grievance redress committees (GRCs) under the Project have been re-established and 22 were set up in late 2005. They address environmental and other complaints about the project, except compensation issues which continue to be handled by RDA. In June 2006, the Public Affairs Division of the Presidential Secretariat was renovated and upgraded to ensure a faster response to public grievances sent to the secretariat. Under this system, GOSL and the private sector have nominated a liaison officer to coordinate with the additional secretaries of the Presidential Secretariat so that individual attention will be given to the problems.²¹ Within the STDP, the Galle regional office operates a complaint center with many of the same attributes, attempting to provide affected people with rapid and clear responses as to what the government will do.
- In this light, the Panel believes that Management needs to monitor closely these new mechanisms for the handling of grievances. ADB can find satisfaction in this

¹⁹ Paragraph 37 of CEPA's Final Inception Report.

²⁰ Paragraph 40 of CEPA's Final Inception Report.

²¹ Daily News, Colombo, 6 June 2006 at <http://www.dailynews.lk/2006/06/06/>.

progress, but also has to recognize the fragility of new institutional approaches that may be dependent upon incumbent leadership. The Panel urges Management to track these developments, through some mechanism in addition to the ERM, or by giving solid meaning to the general provision in its Tasks and Responsibilities that the TA will "facilitate identification of deficiencies in the resettlement operations in STDP for timely corrective actions/measures by RDA to address them."²²

- The Panel is of the view that Management needs to consider amending the contract with CEPA to provide for receipt of a quarterly report that consists of an inventory of concerns and grievances expressed by affected people who were referred to an appropriate mechanism for resolution. In this manner, Management would have an independent measurement of the volume of concerns over time and their seriousness, as well as enabling ERM contacts with people to help educate the public about appropriate local sources of redress such as use of GRCs.
- The Panel concludes that there is progress on this issue and urges Management to take necessary actions to ensure proper compliance with the recommendation.
- The Panel finds that Management has partially complied with this recommendation.



Project affectees discussing with the STDP Project Manager, ADB section (third from left) outside a typically-constructed house in Eththalahena, an STDP resettlement site

²² Paragraph 13 of CEPA's Final Inception Report.

35. Specific Recommendation 10: Management should require immediate provision of utilities and infrastructure to resettlement sites.

- ADB utilizes the monthly PCC meetings to monitor progress on upgrading the resettlement sites. The PCC reviewed a stock-taking exercise in 2005 that resulted in at least 17 contracts being awarded to correct problems. In the JBIC section, 23 contracts were undertaken with completion expected in May 2006.
- The Panel reviewed with SLRM the process for making these corrections, and how such problems will be monitored and corrected in the future. The contracts are not yet completed.
- The Panel also visited some of the sites, a range of those cited as having the greatest number of issues as well as those in best shape, and found that the reporting system through the RDA and MC has been useful, but insufficiently consultative with the relocated families. The CRP finds that ADB could have taken a pro-active role by ensuring that arrangements were in place for RDA to involve the affected people from the outset in the design of the resettlement sites, e.g., roads and other basic facilities. Tension exists between the attitude of some relocatees who are reluctant to take initiatives of their own to address problems and the need to provide them with clear targets and dates for the provision of legitimate infrastructure and services of the government. Examples of needed infrastructure services for the adjustment of affected families to the resettlement sites are paved roads, adequate provision and maintenance of street lamps, as well as the establishment of full postal services in the new areas. Determining the right balance falls on the staff working in the field, such as resettlement assistants, resettlement officers, and social impact and monitoring officers.
- The Panel is concerned about potentially diminished monitoring on-site in the future by the ADB (through the RDA, ERM, and IRM) when the current round of improvements is completed. It is clear that a "successful resettlement process" will take substantially more time to meet the expectations of the ADB policy.
- The Panel finds that Management has partially complied with this recommendation.

36. Specific Recommendation 11: Management should require a special emphasis in the RIP and the income restoration program for women, if necessary by the allocation of additional staff to track their recovery as APs.

- ADB focused on the income restoration program (IRP) and the ERM's TOR to ensure that adequate attention has been paid to gender issues. ADB expects that the IRP will be the principal vehicle for assuring that women will obtain appropriate assistance. SLRM has a gender specialist on staff who follows this issue closely.
- As noted in Specific Recommendation 4, the Panel found that Management was making progress on recognizing the needs of women, but that the IRP is at its present incipient stage too early to provide any certainty about the value of that program in meeting women's needs. The Panel finds it useful to have specialized

knowledge on the SLRM staff and believes that compliance could be achieved in coming months.

- The Panel finds that Management has partially complied with this recommendation.

37. Specific Recommendation 12: Management should assist in the preparation of a detailed project framework for benefit monitoring and evaluation (BME) activities to include outputs, indicators of achievements, and means of verification on social issues.

- The work of ADB on BME took 2 forms. The upgrading of the MIS, when completed in both the ADB and JBIC sections, will provide baseline poverty indices that can be utilized when the IRP implementation begins. Subsequently, in June 2006, ADB will be reviewing the TOR for the project's BME so that the TOR approaches BME in a comprehensive manner.
- The Panel finds that Management has not complied with this recommendation.

38. Specific Recommendation 13: Management should assist in the preparation of an additional assessment of project beneficiaries along the FT to establish baseline information for BME activities.

- ADB has been working to ensure that the data in the Inventory of Losses (IoL) is synthesized with the IRP data, which together should provide the baseline for the BME along the Final Trace. This data task was completed for the ADB section in April 2006.
- As the MIS, a prerequisite for compilation of the IoL, is still incomplete, there is delay in implementing this recommendation.
- The Panel finds that Management has not complied with this recommendation.

39. Specific Recommendation 14: Management should update the Project Profile (PP), or its equivalent by the Project Information Document, on the ADB website, where the latest posting is 15 March 2000, at least on a monthly basis with full information for all categories, until the Project is brought into compliance.

- SLRM has posted additional information, with the latest update on 1 February 2006 on the PP on the ADB website. ADB has also updated its website to have an STDP project webpage with comprehensive news coverage and links to RDA and MOH websites.
- The Panel reviewed the work in this regard, and found it satisfactory. Management has complied with this recommendation, subject to regular updating.

40. Specific Recommendation 15: Management should provide to the CRP with a copy to the Board, by 31 August 2005, a course of action with timelines on implementation of these measures for the CRP's monitoring and reporting to the Board.

- Management has forwarded to the CRP, with a copy to the Board, a Course of Action by 31 August 2005. The CRP gave its comments to Management to revise

the CA, including the need to consult with the Requesters on recommendations applicable to them.

- ADB has institutionalized and updated the CA with regular monitoring reports to the CRP and to the Board.
- The Panel understands that Management has released the Course of Action attached to its April 2006 progress report to stakeholders who requested it. The stakeholders expressed appreciation for Management's sharing the CA, and the Panel urges Management to continue this open information approach with interested stakeholders.
- The Panel finds that Management has complied with this recommendation.

VI. Conclusions

41. The CRP finds that ADB's implementation of the general and project-specific remedial actions has resulted in some progress in complying with the Board's remedial actions and bringing the project into compliance. The spectrum of compliance status is as follows:

- Management has complied with General Recommendation 4 and Specific Recommendations 14 and 15
- Management has partially complied with Specific Recommendations 1, 4, 8, 9, 10, and 11 and
- Management has not complied with General Recommendations 1, 2 and 3 and Specific Recommendations 2, 3, 5, 6, 7, 12, and 13.

42. The Panel notes that on Specific Recommendation 5, the possibility of compliance has been overtaken by events, but there has been an impressive reorientation of the GOSL and RDA in particular in how to deal with the issues of compensation and resettlement. Clearly, progress was achieved and lessons have hopefully been learned by ADB and for future projects in Sri Lanka and for other borrowing countries.

43. At the same time, some of the affected people remain dissatisfied with specific impacts of the project. There are many potential reasons for these objections, ranging from highly specific issues such as construction-related cracks in buildings to broad anxieties related to the disruption of cultural norms such as the integrity of extended families in landholdings of historical significance.

44. The Panel is concerned about allegations of discrimination to affected people for having filed claims with the ADB Accountability Mechanism. The Panel cannot confirm these allegations, but the Panel hopes that all stakeholders in the Project are equally committed to transparency and participation, with full redress of valid complaints.

45. It has been important, in the monitoring process, to ensure that as many different views of affected people have been represented. The CRP will continue to be inclusive in engaging all parties, including affected people, whether Requesters or not, in carrying out its activities.

46. The CRP will continue to monitor the implementation of the Board-approved remedial actions.

VII. Next steps

47. The CRP will provide to the Board in July 2007 its second Annual Monitoring Report, following consultation with the BCRC.

/S/ Augustinus Rumansara
Chair, Compliance Review Panel
11 July 2006

Compliance Review Panel Recommendations

(extracted from the CRP's Final Report on the Southern Transport Development Project compliance review request)

266. The CRP has 2 categories of recommendations resulting from its investigation in this Project – measures addressing issues that may cause difficulties in complying with ADB's policies and operational procedures in ADB-assisted projects, and measures relevant to current implementation problems necessary to bring the Project back into compliance.

267. On the first category, the Board asks that Management take the following measures:

- (i) review selected road projects as to how changes of scope may make the application of environment and resettlement policies difficult.
- (ii) review cofinancing arrangements in selected projects to determine if such arrangements have a damaging effect on policy compliance for the whole project, and make recommendations to strengthen policy compliance for these projects.
- (iii) develop additional guidance for ADB's *Handbook for Resettlement: A Guide to Good Practice* dated 1998 for staff to develop major infrastructure projects with borrowers with little or no comparable project experience, especially in Category A projects. The guidance should particularly address the issues of implementing agencies having adequate institutional capacity and resources in carrying out and monitoring resettlement and ensuring that appropriate legislation is in place to carry out such resettlement.
- (iv) provide to the CRP with a copy to the Board, by 31 August 2005, a course of action with timelines on implementation of these measures for the CRP's monitoring and reporting to the Board.

268. On the second category, the Board asks that Management take the following measures:

- (i) assess the environmental impacts of the Galle access road and any stretch of the ADB section on the Final Trace (FT) different from the Combined Trace (CT) including consulting project-affected people.
- (ii) ensure the incorporation of the environmental impact assessments and the recommended mitigation measures of any stretch of the ADB section on the FT different from the CT and of the Galle access road in the Environment Management Plan (EMP) for the Project.
- (iii) review the cofinancing arrangements in the STDP with a view to strengthening policy compliance for the whole project.
- (iv) conduct an analysis of gender issues on the Project and ensure that the programs under the Project adequately address these gender issues.
- (v) require that all affected persons (APs) be fully compensated by actual payment before they are moved.

- (vi) determine whether or not there has been a change of scope in the Project, as provided in Project Administration Instruction No. 5.04.
- (vii) assist in the income restoration program and the establishment of household benchmarks through the Management Information System (MIS) for the APs as called for in the Resettlement Implementation Plan (RIP).
- (viii) ensure that full project information, especially the essential elements of the RIP, be provided in an appropriate language to each affected household, rather than simply making it available at the district offices.
- (ix) help establish well-staffed monitoring of resettlement activities by an independent institution, forwarding concerns to RDA for urgent action from the APs.
- (x) require immediate provision of utilities and infrastructure to resettlement sites.
- (xi) require a special emphasis in the RIP and the income restoration program for women, if necessary by the allocation of additional staff to track their recovery as APs.
- (xii) assist in the preparation of a detailed project framework for benefit monitoring and evaluation (BME) activities to include outputs, indicators of achievements, and means of verification on social issues.
- (xiii) assist in the preparation of an additional assessment of project beneficiaries along the FT to establish baseline information for BME activities.
- (xiv) update the Project Profile (PP), or its equivalent by the Project Information Document, on the ADB website, where the latest posting is 15 March 2000, at least on a monthly basis with full information for all categories, until the Project is brought into compliance.
- (xv) provide to the CRP with a copy to the Board, by 31 August 2005, a course of action with timelines on implementation of these measures for the CRP's monitoring and reporting to the Board.

Loan 1711-SRI (SF): Southern Transport Development Project

Course of Action to Implement the Recommendations of the Compliance Review Panel

Progress Report as of 31 May 2006

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> underlined)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
Para 267 (i)	Review selected road projects as to how changes of scope may make the application of environment and resettlement policies difficult	OM section F1/OP (para. 27) and OM section F2/OP (para. 49) issued on 29 Oct. 2003, and OM section F3/OP (para. 33) issued on 13 May 2004 include specific provisions to address changes in scope. Project Administration Instructions (PAI) No. 5.04 on <i>Changes in Project Scope or Implementation Arrangements</i> was revised on 15 August 2005 to ensure that all major changes in project scope are classified and that safeguard planning requirements, if any, are fulfilled in accordance with OM F1, F2, F3 before the change in scope is approved (para 12).	The Environment and Social Safeguards Division (RSES) undertakes a study to review experience with linear infrastructure, including issues related to changes in alignment, as part of ADB's safeguard policy update. A consultant is being engaged to complete the review.	<u>January – May 2006</u> DELAYED FROM January – March 2006	<u>Review of selected road projects ongoing.</u>	Not complied with. (para. 22 CRP Annual Monitoring Report)
Para 267 (ii)	Review cofinancing arrangements in selected projects to determine if such arrangements	OM Sections F1, F2, and F3 stipulate that Environmental Impact Assessments, Resettlement Plans, and Indigenous Peoples Development Plans respectively should cover all project components, regardless of their sources of financing.	(a) RSES undertakes a review of cofinancing arrangements in selected projects as part of the Safeguard Policy update, in consultation with OCO and Regional Departments and	<u>January – May 2006</u> DELAYED FROM January – March 2006	<u>Review of selected road projects ongoing</u>	Not complied with. (para. 23 of Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
	have a damaging effect on policy compliance for the whole project, and make recommendations to strengthen policy compliance for these projects	OM Section E1 (Cofinancing) stipulates that "the safeguard policies that apply to ADB-assisted projects also apply equally to all projects cofinanced by ADB". The policy framework is thus considered adequate, although it poses practical challenges in implementation, in particular with regard to parallel cofinancing.	other principal co-financers like the World Bank and Japan Bank for international cooperation Outcome of the review will be fed into the Safeguard Policy Update's recommendations in relation to cofinancing arrangements. A consultant is being engaged to complete the review.			
Para 267 (iii)	Develop additional guidance for ADB's <i>Handbook for Resettlement: A Guide to Good Practice</i> dated 1998 for staff to develop major infrastructure projects with borrowers with little or no comparable project experience, especially in Category A projects. The guidance should particularly address the issues of	ADB initiated on July 15, 2004 the update of <i>ADB's Handbook for Resettlement: A Guide to Good Practice</i> (1998).	RSES finalizes the handbook based on the findings of: (i) technical assistance (TA) REG-6091 on 'Capacity Building for Resettlement Risk Management' currently conducted in PRC, India and Cambodia; and (ii) the Safeguards Policy update. SLRM will provide comments and feedback based on the experience of Sri Lanka.	Three months after Board consideration of the ADB Policy Statement on Environment and Social Safeguards currently targeted in Nov. 2006 <u>This is now expected to be completed in 2007.</u> Delays could occur if Board approval of the cited policy statement is postponed.	The <i>Handbook for Resettlement: A Guide to Good Practice</i> was circulated for interdepartmental comments on 22 December 2005. Board consideration of the Policy Statement on Environment and Social Safeguards earlier scheduled in Nov. 2006 <u>has been</u> postponed in view of the Development Effectiveness Committee's request to evaluate the implementation of ADB's environmental and social safeguards.	Not complied with. (para. 24 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006 underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
	implementing agencies having adequate institutional capacity and resources in carrying out and monitoring resettlement and ensuring that appropriate legislation is in place to carry out such resettlement.					
Para 267 (iv)	Provide to the CRP with a copy to the Board, by 31 August 2005, a course of action with timelines on implementation of these measures for the CRP's monitoring and reporting to the Board.	This action plan fulfils the requirements.	Monitoring reports will be submitted to the CRP according to the following schedule: (a) April 2006 (b) Annual update thereafter every April until the CRP in its monitoring reports certifies that progress is adequate and there is satisfactory completion of action.	April 2006 April 2007, 2008 as required	<u>Reports have been provided regularly. This submission is an update report as of 31 May 2006.</u>	Complied with. (para. 25 of CRP Annual Monitoring Report)
Para 268 (i)	Assess the environmental impacts of the Galle access road (GAR) and any stretch of the	ADB had agreed as early as August 2004 with the Government of Sri Lanka (GOSL) to conduct a supplementary environmental assessment (SEA) along the major deviations of the FT from the CT, and the GAR. The	(a) SLRM and RDA with the support from ADB headquarters supervise the implementation of the SEA, ensuring its adherence to ADB's environmental policy	September 2005 to March 2006 DELAYED FROM JANUARY 2006	SEA implementation is ongoing, but submission of the Interim Report by the University of Moratuwa is delayed.	Partially complied with. (para. 26 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
	ADB section on the Final Trace (FT) different from the combined trace (CT) including consulting project-affected people (AP).	<p>University of Moratuwa (UoM) started field work in early October 2004, but the SEA was suspended at the end of October 2004 owing to (i) the Requesters' refusal of access to university experts, and (ii) OSPF's request to suspend the assessment. To avoid conflict during the facilitation stage. This suspension was continued during the CRP process.</p> <p>New negotiations between the Road Development Authority (RDA) and UoM were concluded in August 2005. SEA resumed work and submitted an Inception Report in September 2005. ADB attended a tripartite meeting on 3 October 2005, and provided comments on the Inception Report on 12 October 2005.</p>	<p>standards and the use of appropriate participatory techniques.</p> <p>(b) ADB and RDA review the SEA Draft Final Report and approve the SEA Final Report.</p> <p>(c) ADB and RDA post the final SEA Report on their websites</p>	<p>April 2006 DELAYED FROM FEBRUARY 2006</p> <p>June 2006 DELAYED FROM MARCH 2006</p>	<p>On 4 January 2006, ADB requested the Project Director to submit reasons for delay and an agreed revised reporting schedule. The PMU has requested the University, on 17 January to inform them of the revised schedule. On 27 January 2005, the Management Consultants informed ADB that the interim report will be submitted by 10 February 2006.</p> <p><u>UoM submitted a "Draft Final Report" dated 20 February 2006, which in ADB's view is an "Interim Report" as it does not address all issues covered in TOR. ADB forwarded its comments to RDA on 24 March. A follow-up letter was sent to the PMU on 4 April 2006, requesting that these comments be forwarded together with any observations from the MOH. Meanwhile ADB discussed its comments with the UoM, but UoM awaited official communication from the RDA prior to submitting the draft final report. RDA and Management consultants too have submitted their</u></p>	

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
					comments to ADB on 22 March 2006. At the PCC meeting on 18 April RDA was requested to forward all comments to UoM officially. This was done, on 19 April 2006. SLRM staff has been in touch with UoM which promised to provide the report by 19 May 2006. This is still pending. UoM unofficially informed the report will be finalized by 15 June 2006.	
Para 268 (ii)	Ensure the incorporation of the environmental impact assessments and the recommended mitigation measures of any stretch of ADB section on the FT different from the CT and of the Galle access road in the Environmental Management Plan (EMP) for the Project.	<p>Environmental monitoring of the project is currently based on the version II of the EMP, reviewed by ADB and endorsed by the Central Environmental Agency (CEA) on 25 May 2005.</p> <p>The loan review mission fielded on 10-21 October 2005 reviewed the arrangements for implementation of the approved EMP.</p>	<p>(a) SLRM verifies revisions, if any, to the EMP, suggested by the SEA Report.</p> <p>(b) ADB reviews the revised EMP prepared by the Management Consultant (MC) based on the recommendations of the SEA Report, if necessary.</p> <p>(c) ADB monitors CEA's endorsement of the revised EMP, if prepared.</p> <p>(d) SLRM monitors that contractors and RDA implement additional</p>	<p>September 2005 to March 2006 - DELAYED FROM FEBRUARY 2006</p> <p>June 2006 DELAYED FROM MARCH 2006</p> <p>June 2006 DELAYED FROM APRIL 2006</p> <p>Ongoing after May 2006</p> <p>Delays could occur</p>	<p>(a) , (b) Revisions to the EMP will be considered after completion of the SEA</p> <p>(c) A quarterly reporting format discussed with the RDA, and CEA for environmental monitoring to be placed on the web site was submitted by ADB to the PD on 20 December 2005. The first report will be submitted at the end of the first quarter of 2006. <u>Environmental Impact Monitoring report for January 2006 was received. CEA Monitoring Committee meeting was held on 16</u></p>	Not complied with. (para. 27 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
			measures, if any, and reviews CEA's monitoring reports	if SEA completion is delayed.	March 2006 and note to file <u>prepared awaiting final minutes</u>	
Para 268 (iii)	Review the cofinancing arrangements in the STDP with a view to strengthening policy compliance for the whole Project.	<p>There is one EMP, one Resettlement Implementation Plan (RIP), and one income restoration plan (IRP) <u>covering both the JBIC and ADB sections of the highway</u>.</p> <p>Cooperation among the agencies has been strong from the early stages of the project. Information on project review missions is shared between JBIC & ADB.</p> <p>At monthly meetings of the Project Coordinating Committee (PCC)²³, the Management Consultant (MC) <u>reports on the whole Project</u> to the PCC. Issues such as land acquisition, resettlement sites, compensation payment, IRP, environmental impact mitigation, and status of civil works are discussed and decided, taking both sections of the project into consideration.</p> <p>Initial discussions on joint strengthening of compliance were held with JBIC in September and October 2005. It was agreed that the same external monitoring process will be adopted on land acquisition and</p>	(a) SLRM discusses with JBIC the modalities to ensure strong monitoring of project compliance.	September 2005 – March 2006 COMPLETED	<p>A draft document clarifying joint implementation and compliance monitoring arrangements has been circulated for internal review by both ADB and JBIC. It will be finalized during the first quarter of 2006.</p> <p><u>The document has been agreed to by JBIC and ADB. The Final MoU was signed on 31 March 2006.</u></p>	Partially complied with. (para. 28 of CRP Annual Monitoring Report)

²³ The PCC is chaired by the Secretary of the Ministry of Highways (MOH), and attended, *inter alia*, by Ministry of Finance and Planning (MOFP), Ministry of Highways (MOH), RDA, CEA, JBIC, and ADB, and the consultants working on the various project components.

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
		resettlement activities				
Para 268 (iv)	Conduct an analysis of gender issues on the Project and ensure that the programs under the Project adequately address these gender issues.	<p>SLRM's gender specialist and SLRM's resettlement specialist started identifying gender indicators and the required monitoring measures during July-August 2005.</p> <p>Terms of reference were prepared for the gender analysis. Recruitment of a staff consultant was initiated on 24 October 2005.</p> <p>SLRM met with RDA and the IRP NGO on 13 and 14 September 2005 to discuss how gender issues are addressed under the project and in the IRP under preparation</p>	<p>(a) SLRM performs an analysis of gender issues in the project and identifies priority actions required</p> <p>(b) SLRM ensures that the gender issues and indicators to monitor them are reviewed and updated during phase I of the IRP</p> <p>(c) SLRM monitors through reports of the External Resettlement Monitor (ERM) [see (ix) below] and the NGO in charge of the IRP [see (vii) below] the status of addressing gender issues; identifies with RDA remedial measures as required; and monitors their implementation.</p>	<p>September-December 2005</p> <p>September-November 2005</p> <p>ongoing Monitoring</p> <p>Reporting in April and October of each year until project completion</p>	<p>(a) The Consultant carried out the study of gender concerns in the project and submitted an Inception Report and a Draft Final Report . <u>Consolidated comments from ADB forwarded to the consultants. Final Report is awaited in early June 2006.</u></p> <p>The Final Report on Gender Issues in the STDP was submitted by Friday 28 April and emailed to SLRM and HQ staff. The printed copy was received early May and distributed to SLRM, HQ,,STDP and MC.</p> <p>(b) SLRM gender specialist met with the IRP NGO</p> <p>(c) <u>The External monitors have mobilized on 3 April 2006 and implementation started. SLRM gender specialist participated in relevant meetings with ERM. A stakeholders workshop was held with RDA, ADB and JBIC staff on 10 may 2006, and with APs and related NGOs on 26 and 28 May 2006.</u></p>	Partially complied with. (para. 29 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
Para 268 (v)	Require that all AP be fully compensated by actual payment before they are moved.	<p>Country Director, SLRM, underlined the requirement that full compensation be paid before land acquisition and relocation at the 29 August 2005 Project Coordination Committee meeting. MOH committed to ensuring this will happen, subject to technical time required for interest and other payments</p> <p>ADB has further intensified from August 2004, together with MOH, the follow-up of the release of required funds from the Treasury of GOSL. As a result, as of 30 September 2005, payment of statutory compensation in the ADB section had been completed. LARC payments were made for all except 5 land lots fixed for Super LARC inquiries. Interest payments were 90% completed. The GOSL Treasury committed to provide promptly sufficient funds to complete compensation for land acquisition and resettlement.</p> <p>Review Mission and Country Director, SLRM visited 7 resettlement sites and met self-relocated persons on 14-15 October 2005.</p> <p>By end October 2005 resettlement had been completed for all 711 families in the ADB section: of these, 447 families self-relocated receiving cash</p>	<p>(a) ADB informs RDA and MOH that the principle of full compensation before land acquisition and relocation must be strictly enforced and that immediate action need to be taken to remedy past lapses.</p> <p>(b) SLRM monitors through MC reports and ERM reports, and through spot checks as needed, the status of compensation payment and resettlement.</p>	<p>September 2005 DONE ON 29 AUGUST 2005</p> <p>Monthly at PPC meetings, quarterly through ERM reports, and <i>ad-hoc</i>, as needed, until compensation payment is completed.</p> <p><u>Treasury of GOSL have been providing sufficient funds on time.</u></p> <p>January 2006 for ADB section February 2006 for JBIC section</p>	<p>(a) Done and documented</p> <p>(b) The Treasury released additional Rs.175 million on 20 January 2006. As of 26 January 2006 the statutory compensation payments and LARC and Super-LARC payments have been paid in full in the ADB section and 90% of statutory payments and 75% of LARC payments in JBIC section were paid.</p> <p><u>On 15 February 2006, SLRM sent a letter to Treasury Secretary requesting release of funds for payments to be made for compensations. The Treasury released additional Rs.170 million in March 2006. As of 31 May 2006 the statutory compensation payments, LARC and Super-LARC payments and interest payments (an thus ALL PAYMENTS) have been completed except 5 court cases in the ADB section.</u></p> <p><u>For the JBIC section, 97% of statutory and LARC payments is completed and 91% of interest payments is completed. All payments in this section should be</u></p>	Not complied with. (para. 30 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
		<p>compensation, and 264 families were resettled at RDA relocation sites.</p> <p>In the JBIC section, out of 585 families 349 had self-resettled and 195 had moved to RDA sites. Only 40 families (3% of the total) had not yet resettled along the whole highway.</p> <p>If all 10,303 land lots are considered, as of end October 2005 98% in the ADB section and 86.5% in the JBIC section had been fully paid as of end October 2005.</p> <p>Audit of ADB Priority Section completed on 27 September 2005.</p>	<p>(c) ADB reviews MC audit of land acquisition and resettlement (LAR) procedures and payments based on a 5% sample of project</p> <p>d) Based on monitoring and audit outlined above, ADB ensures implementation of necessary remedial actions.</p>	Ongoing	<p><u>completed by end June 2006.</u></p> <p>(c) The intermediate report of the Stage II audit of land acquisition and resettlement in the ADB section was submitted to ADB on 13 December 2005. The draft final report was submitted on 2nd February 2006. <u>SLRM provided comments on the report. Final report was provided on 16 May 2006.</u></p> <p>(d) SLRM referred specific cases of complaints to RDA . A draft report on land acquisition in the disputed sections has been prepared, and is currently being finalized. <u>The draft report was provided.</u></p>	
Para 268 (vi)	Determine whether or not there has been a change of scope in the Project, as provided in Project Administration	<p>Management indicated in its response to the CRP dated 9 June 2005 that a change of scope will be processed.</p> <p>The GOSL has also requested ADB to consider some adjustments to the project, which may result in a change of scope. Data collection and analysis</p>	<p>(a) ADB Management examines changes in project design and impact, and makes a determination on whether change of scope should have been processed.</p> <p>(b) SLRM conducts and supervises in coordination</p>	<p>September 2005 - May 2006 DELAYED FROM NOVEMBER 2005</p> <p>September 2005 - June 2006 DELAYED FROM</p>	<p>(a) Draft determination has been prepared, but results of SEA need to be assessed before finalizing the submission.</p> <p>(b) Supplementary Environmental Assessment is</p>	Not complied with. (para. 31 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
	Instruction 5.04.	required for a change of scope have already started, e.g., a SEA [see (i) above]	with RDA the environmental, social, economic, engineering, and other assessments required to process a change of scope which will be subject to satisfactory resolution of all compensation issues and the concurrence of all the major stakeholders concerned. (c) SARD submits the change of scope to ADB Management or Board as appropriate.	FEBRUARY 2006 TO ALLOW CONSIDERATION OF ADJUSTMENTS REQUESTED BY GOVERNMENT June 2006 DELAYED FROM MARCH 2006	ongoing. Technical and economic analysis is under review. <u>SEA advanced, but still pending Final report.</u> (c) Additional project adjustments are likely to also require a change of scope. They may be processed separately or all in the same submission.	
Para 268 (vii)	Assist in the income restoration program (IRP) and the establishment of household benchmarks through the Management Information System (MIS) for the AP as called for in the Resettlement Implementation Plan (RIP).	An IRP is included in the RIP, but it was subsequently found to be inadequate. To remedy this, ADB requested RDA to formulate a comprehensive IRP. Expanded TOR for the IRP was prepared in early 2005. An NGO was recruited on 4 August 2005 to undertake the IRP. A Progress Report and Inception Report were submitted on 27 September and 11 October 2005. ADB staff met the IRP team on 18 October 2005 to discuss progress, and noted the completion of excellent fieldwork, including, PRAs and gender and positive thinking training programs. The fieldworkers met 986 affected families – self relocated, resettled at RDA sites and those who lost property but remain at their original land and	(a) SLRM with ADB Headquarters' support monitors and reviews the completion of IRP Phase I: plan of activities including targets and budget.	August 2005 to January 2006 – COMPLETED BUT DELAYED FROM NOVEMBER 2005 DUE TO EXPANSION OF TOR (COLLECTION OF ADDRESSES, ETC.)	(a) Draft IRP was submitted to SLRM on 22 November 2005. SLRM provided comments and held tripartite meeting with consultants, PMU, and Management Consultants to discuss the report. Final version of IRP and implementation plan proposal completed on 31 January 2006. <u>Gender issues were reviewed by SLRM staff and comments given. SLRM staff attended meeting with RDA and IRP consultant on 13 March 2006. Final report submitted on 3 February 2006.</u>	Not complied with. (para. 32 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
		<p>houses.</p> <p>An IT expert under MC supervision has modified the MIS to generate additional detailed reports. MIS data were re-checked and corrected. Computers and data entry operators have been added since October 2005 through TA 4315 to support MIS updating.</p>	<p>(b) TOR of the IRP consultants amended to include collection of the addresses of both self-relocated AP and those in resettlement sites, as well as information on AP status before the project, collected through interviews</p> <p>(c) SLRM monitors and reviews with assistance from ERM [see (ix) below] the implementation of the revised IRP with GOSL project funds.</p> <p>(d) SLRM monitor through monthly PPC meetings and as needed to ensure that MIS and database are up to date and fully functional by February 2006 in the ADB section and April 2006 in the JBIC section</p>	<p>January 2006 COMPLETED</p> <p>December 2005 to December 2008</p> <p>September 2005 to April 2006 COMPLETED</p> <p>Staff and budget allocation for MIS to be closely monitored MIS UPDATING ON TRACK</p>	<p>(b) IRP consultant were instructed to collect addresses of displaced people. List of old and new addresses was attached to IRP Report.</p> <p>(c) Not applicable for this period. Implementation of the IRP should start in March 2006, shortly after completion of the report and action plan <u>Technical and financial proposals have been received from the IRP consultants to implement IRP. This is being reviewed by RDA which has established a technical committee for this purpose and will be finalized by mid-June 2006.</u></p> <p>(d) In the ADB section, records for 4,256 out of 5,127 lots have been updated as of 24 January 2006. It is planned to complete all entries by end February 2006. <u>All records in ADB section updated as of 31 May 2006.</u> In the JBIC section, 1,571 out of 4,575 records have been updated. JBIC section should be completed by April 2006.</p>	

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
					Only 300 more records to be <u>updated in JBIC section</u> , which is expected to be fully completed by June 2006. <u>Pending interest payments will also be added to the database.</u>	
Para 268 (viii)	Ensure that full project information, especially the essential elements of the RIP, be provided in an appropriate language to each affected household, rather than simply making it available at district offices.	The entitlement matrix of the resettlement plan (1999) and RIP (2002) were communicated in Sinhala to all APs through local newspapers and were displayed at local public places, and Grama Niladhari offices. About 15,000 copies of the RIP entitlement matrix were printed and distributed in the project affected areas. The Audit of ADB Priority Section completed on 27 September 2005 shows that only 11% of audited AP affirmed that they did not have in their possession individual entitlement sheets. Generalized possession of the sheets and awareness of entitlements and payments were randomly verified during field visits on 14-15 October 2005. Field visits to the RDA regional offices and inspection of files on 14 October 2005 showed that detailed breakdown is available on the compensation paid	(a) SLRM ensures that the provision of information in Sinhala on their specific entitlement to each affected household is documented. (b) SLRM ensures that a survey is conducted to verify the extent of diffusion of the RIP entitlement matrix among AP. (c) Based on (and during) the above survey, ADB ensures in coordination with RDA that additional project information, including essential elements of the RIP, is provided to affected families, if needed.	September 2005 COMPLETED IN OCTOBER 2005 September to November 2005 COMPLETED May 2006 DELAYED FROM JANUARY 2006 DUE TO DELAYS IN COMPLETING SURVEY	a) review of documents in RDA regional offices, spot checks by SLRM staff, and survey carried out under IRP confirm that most AP have in their possession a copy of the form showing the details of their entitlement.. (b) Surveys conducted by the IRP during September-December 2005 show that the majority of AP do not have a full copy of the RIP or entitlement matrix (c) SLRM to discuss with RDA and MOH the preparation of supplementary information for distribution to AP. Agreed information to be distributed. <u>A draft outline brochure was prepared and discussed with</u>	Partially complied with. (para. 33 of CRP Annual Monitoring Report)

²⁴ The Grama Niladhari is the lowest level of administration within the government and is responsible, inter alia, for dissemination of information maintaining population records at the village level; certifying credentials for identification purposes; and counting of votes.

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
		to each AP for each entitlement. Minutes of the LARC decisions are often available, or adjustments to entitlements are marked on the liquidation sheet, which is countersigned by the AP The English and Sinhala versions of the full RIP were again made available in 2004 at RDA's regional offices, divisional secretariats, provincial council offices, Grama Niladharis offices ²⁴ , and at public libraries.	(d) English and Sinhala version of RIP and entitlement matrix are posted on the project website	February 2006 COMPLETED Care must be taken to avoid generating new expectations regarding entitlements, as the land acquisition process has almost been completed.	RDA and JBIC at PCC meeting on 18 April 2006.. and during subsequent discussions in May 2006. The brochure will be in English and local language.. The brochure is expected to be finalized by end June 2006. (d) English and Sinhala version of Resettlement Implementation Plan including entitlement matrix posted on project website at http://www.adb.org/Projects/SDP/default.asp .	
Para 268 (ix)	Help establish well-staffed monitoring of resettlement activities by an independent institution, forwarding concerns to RDA for urgent actions from AP.	Monitoring of resettlement activities was undertaken by a domestic firm engaged and financed by RDA until April 2003, and by the MC team since then, with financing through a loan from the Nordic Development Fund (NDF). The independence of the MC has been questioned because it is paid by and reports to RDA as a client. However, it is necessary to recognize the fact that the same will be true any "independent monitor" hired by the project with ADB, or GOSL funds and reporting to ADB	(a) ADB recruits through TA in coordination with JBIC an independent External Resettlement Monitor (ERM) reporting to ADB. To avoid loss of information and delays in transferring of files and data, the current MC team will be requested to continue gathering data and reporting on resettlement implementation. The ERM will perform supplementary monitoring and will audit the monitoring carried out by MC.	September 2005 – February 2006 DELAYED FROM NOVEMBER 2005 DUE TO NEED TO CONSULT COMPLAINANTS RECRUITMENT COMPLETED	(a) Complainants were consulted in October 2005 and gave written feedback on ERM and other aspects of the Course of Action (COA) on 1 November 2005 . Adjustments were incorporated as feasible in this final version of the COA and in the ADTA. <u>Centre for Poverty Analysis (CEPA), a domestic firm and an International Resettlement Specialist has been hired under the TA. CEPA</u>	Partially complied with. (para. 34 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
		<p>and GOSL, or to another project co-financer.</p> <p>Recruitment by and reporting to ADB of an External Resettlement Monitor (ERM) team can, however, be seen as a more "impartial" arrangement. An ADTA will be processed for this purpose. Agreement was reached with JBIC to employ the same External Resettlement Monitor. Preliminary TA fact-finding was conducted during the Project Review Mission on 10-21 October 2005. Meetings were also held with the Requestors on 9 and 15 October 2005.</p>	<p>(b) ERM initiates monitoring activities. The ERM verifies data; gathers additional information as necessary; conducts field visits and surveys; and provides an independent perspective and advice to supplement MC reports. A "workshop panel" of experts will review the methodology and findings of the ERM at periodic intervals.</p> <p>(c) ERM submits reports on the progress of resettlement implementation. ADB follows up with RDA on recommendations</p> <p>(d) Workshops are held to discuss ERM findings. AP</p>	<p>March 2006 DELAYED FROM NOVEMBER 2005 DUE TO TECHNICAL TIME REQUIRED TO PROCESS CONSULTANT RECRUITMENT AFTER ADTA APPROVAL</p> <p>Quarterly to RDA and ADB. Urgent issues are reported and acted upon as needed</p> <p>Quarterly from March-April 2006 DELAYED FROM DECEMBER 2005 AS EXPLAINED ABOVE</p>	<p><u>mobilized on 3 April 2006 and International Expert mobilized on 20 April 2006.</u> <u>Stakeholders workshops was held with RDA, ADB and JBIC on 10 May 2006, and with APs and NGOs on 26 and 28 May 2006.</u></p> <p>(b) ADTA No. 4748 for independent ERM approved on 19 December 2005 . Request for Proposals issued on 29 December to the short listed consultants. Pre-bid meeting held on 17 January 2006. Closing date for bid submission was 6 February 2006. In the meantime, monitoring by the MC continues, and monthly reports on land acquisition and resettlement continue to be submitted directly to ADB.</p> <p>(c), Not applicable for this period. ERM is expected to field TA personnel in March 2006. <u>Personnel fielded on 3 April, and final inception report provided on 18 May 2006</u></p> <p>(d) Not applicable for this period. ERM is expected to</p>	

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
			and other stakeholders are invited to attend. A synthesis of the ERM reports is posted on the ADB and RDA websites		field TA personnel in March 2006 <u>Personnel fielded on 3 April 2006 and initial workshops held on 10, 26 and 28 May 2006 to discuss methodology.</u>	
Para 268 (x)	Require immediate provision of utilities and infrastructure to resettlement sites.	A comprehensive stock-taking exercise on defects and inadequacies in infrastructure and utilities at the resettlement sites was completed in December 2004 and January 2005. Seventeen contracts were awarded in April 2005 to remedy them. Considerable progress has been achieved in the provision of road access, drainage, and other infrastructure at resettlement sites. This was confirmed by site visits to 7 sites on 14-15 October 2005. Monthly progress reports are submitted to and discussed by the Project Coordination Committee	(a) SLRM monitors through MC and ERM and through own staff, if needed, the conditions and improvements at the resettlement sites.	Monthly through MC reports to PCC (ongoing). Quarterly reports through future ERM	a) Site improvements in ADB section completed by 31 January 2006. Two new retaining walls to be constructed as a result of last field visit. Remaining two out of 23 contracts in JBIC section to be completed by 15 February. <u>Upgrading works completed in all section. As of end 2005, a review team has checked all resettlement sites and forwarded recommendations to PMU for further action. The Final report was provided. RDA spent Rs25.3 million on ADB section and Rs14.3 million on JBIC section for site development works.</u> (b) Detailed monthly progress reports continue to be submitted to the Project Coordination Committee.	Partially complied with. (para. 35 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006 underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
			(b) SLRM ensures that RDA undertakes or delegates additional action as required to address shortcomings	Ongoing through Project Coordinating Committee deliberations		
Para 268 (xi)	Rrequire a special emphasis in the RIP and the income restoration program for women, if necessary by allocation of additional staff to track their recovery as AP.	<p>The TOR of IRP developed in early 2005 emphasizes the needs of vulnerable groups - female-headed households, the aged, infirm, and very poor.</p> <p>SLRM's gender specialist and SLRM's resettlement specialist started identifying gender indicators and the required monitoring measures during July-August 2005.</p> <p>SLRM met with the IRP NGO in October 2005 to discuss how gender issues are addressed in the IRP under preparation</p>	<p>(a) SLRM provides inputs into IRP TOR and designs ERM TOR to ensure incorporation of gender dimensions in IRP development</p> <p>(b) SLRM monitors gender dimensions in the implementation of the RIP and IRP, including allocation of dedicated staff, if necessary</p>	<p>September to November 2005</p> <p>Ongoing through PCC and ERM reports</p>	<p>(a) Feedback was provided on IRP report. Importance of monitoring of gender dimensions and vulnerable groups in ERM highlighted during pre-bid meeting on 17 January 2006</p> <p>(b) Not applicable for this period. <u>RDA has already initiated income restoration program, and submitted a report on work done so far. They are also reviewing proposals for consultants to implement IRP. ERM has commenced its work from 3 April 2006.</u></p>	Partially complied with. (para. 36 of CRP Annual Monitoring Report)
Para 268 (xii)	Assist in the preparation of a detailed project framework for benefit monitoring and evaluation (BME) activities to include outputs, indicators of	<p>Poverty reduction in the project influence area was a stated objective of the Project and was included in the Project Framework. Identification and monitoring of additional social outcomes, including impact on AP's livelihood, is included in the loan agreement</p> <p>Updating of the Management</p>	(a) SLRM ensures that IoL and IRP data for the FT are synthesized and presented in a report which provides the baseline for BME along the FT.	January to March 2006	<p>a) In the ADB section, records for 4,256 out of 5,127 lots have been updated as of 24 January 2006. It is planned to complete all entries by end February 2006. <u>All records in ADB section updated.</u></p> <p>In the JBIC section, 1,571 out</p>	Not complied with. (para. 37 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> underlined)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
	achievements, and means of verification of social issues.	Information System, which is a prerequisite for compilation of the Inventory of Losses (IoL) is ongoing. Number of computers and dedicated data entry operators was increased and funded by TA 4315 in October 2005.	<p>(b) SLRM reviews TOR for project's BME and provides suggestions to be included in TOR to ensure comprehensive BME activities</p> <p>(c) ADB ensures through reviews and monitoring that BME activities will pay adequate attention to social dimensions, including livelihood restoration/improvement.</p>	<p>June 2006</p> <p>After project completion</p>	<p>of 4,576 records have been updated. JBIC section should be completed by April 2006. <u>In JBIC section only 300 records input pending and is expected to be substantially complete in May 2006 and fully completed in end June 2006. Interest payments being processed will also be added to the database.</u></p> <p>(b) Not applicable for this period. TOR for Socio-Economic Impact Study and traffic surveys are being reviewed by ADB</p> <p>(c) IRP includes provisions for monitoring of livelihood restoration.</p>	
Para 268 (xiii)	Assist in the preparation of an additional assessment of project beneficiaries along the FT to establish baseline information for BME activities.	The baseline data of APs have been captured in the IoL, which include all assets and income generating activities. The collection of IoL data will be completed by April 2006, when the ongoing resettlement activities will also be completed. Available IoL data and information have been used in the reformulation of the IRP.	(a) SLRM ensures that IoL and IRP data for the FT are synthesized and presented in a report which provides the baseline for BME along the FT.	January to March 2006	(a) Updating of the Management Information System, which is a prerequisite for compilation of the IoL is ongoing. Number of computers and dedicated data entry operators has been increased and funded by ADB TA 4315. <u>Data input has been completed in April 2006 for ADB section.</u>	Not complied with. (para. 38 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006</u> <u>underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
Para 268 (xiv)	Update the Project Profile (PP), or its equivalent by the Project Information Document on the ADB website, where the latest posting is 15 March 2000, at least on a monthly basis with full information for all categories, until the Project is brought into compliance.	<p>Initial mapping and redesign to expand the coverage of the project in ADB website started in August 2005</p> <p>Project website updated. A spotlight was placed in the "Projects" tab of the ADB website, at http://www.adb.org/projects/default.asp</p> <p>The updated website can be viewed at http://www.adb.org/Projects/STDP/default.asp. The site includes updated project information as of 28 July 2005 and reference to compliance review among others</p> <p>ADB Website includes link to RDA and Ministry of Highways websites. since October 2005</p>	<p>(a) SLRM posts additional information, and creates shortcut on SLRM site page to facilitate access.</p> <p>(b) SLRM completes project website redesign with DER's assistance</p> <p>(c) ADB and RDA establish link between their STDP web pages.</p> <p>(d) SLRM expands website coverage to include full project information. English and Sinhala version of RIP and entitlement matrix are posted on the project website</p>	<p>September 2005 COMPLETED IN OCTOBER 2005</p> <p>October 2005 COMPLETED IN OCTOBER 2005</p> <p>October 2005 COMPLETED IN OCTOBER 2005</p> <p>November 2005 Monthly update thereafter</p>	<p>(a) updating ongoing continuously. Project profile last updated on 1st February 2006 .</p> <p>(b) website redesigned</p> <p>(c) Links established</p> <p>(d) A media page has been designed to include press articles on the STDP website. A letter was sent to all major newspapers requesting permission to reproduce any article appearing in the press on STDP. English and Sinhala versions of RIP are now posted on the project website.</p>	Complied with. (para. 39 of CRP Annual Monitoring Report)
Para 268 (xv)	Provide to the CRP with a copy to the Board, by 31 August 2005, a course of action with timelines on implementation of these measures for the CRP's monitoring and	<p>An action plan was submitted in August 2005, and a revised version incorporating CRP comments together with the first quarterly report on 31 October 2005.</p> <p>Most remediation activities are expected to be completed by April 2006, except for the BME framework which will be completed in June 2006,</p>	<p>(a) Finalize Course of Action after consulting complainants</p> <p>(b) Monitoring reports will be submitted to the CRP according to the following schedule:</p>	<p>January 2006 COMPLETED</p> <p>October 2005</p>	<p>(a) This report includes the revised Course of Action. It now includes both CRP suggestions and inputs from the complainants</p> <p>(b) Progress as follows:</p> <p>(i) Completed</p>	Complied with. (para. 40 of CRP Annual Monitoring Report)

Item	CRP Recommendations (pp. 61-62, para. 268)	Action Plan to Achieve Compliance		Planned Schedule and Implementation Risks	Progress since 1 November 2005 (<u>last quarter from 1 February to 31 May 2006 underlined</u>)	Compliance Status determined by the Compliance Review Panel
		Action undertaken as of 31 October 2005 (previous progress report)	Ongoing and Future actions			
	reporting to the Board.	ERM, to be conducted until March 2008, and the Phase II of the IRP which will continue until 2008.	<p>(i) by 31 October 2005 for the quarter ending September 2005,</p> <p>(ii) by 31 January 2006 for the quarter ending December 2005, and</p> <p>(iii) by 30 April 2006 for the quarter ending March 2006.</p> <p>Annual updates thereafter until the CRP in its monitoring reports certifies that progress is adequate and there is satisfactory completion of actions.</p>	<p>COMPLETED</p> <p>January 2006 COMPLETED</p> <p>April 2006 COMPLETED <u>May 2006, special update (this one) prepared for CRP review mission.</u></p> <p>April 2007 April 2008 And again annually until CRP certifies that there is satisfactory completion of actions.</p>	<p>(ii) Completed</p> <p>(iii) This report fulfils the requirements of second quarter reporting</p> <p>Not applicable at this time</p>	

List of Persons Met

Ministry of Finance & Planning

1. Mr. R.A. Jayatissa, Deputy Secretary
2. Ms. Sujatha Cooray, Director General, Department of External Resources (ERD)
3. Ms. Malance Gamage, Assistant Director General, ERD
4. Mr. Bharatha Ramanayake, Deputy Director-ADB Division, ERD

Road Development Authority

1. Mr. M.B.S. Fernando, Chairman
2. Colonel Nissanka N. Wijeratne, Project Director, STDP
3. Mr. H.M. Wimalasinghe, Deputy Director (Lands), STDP
4. Mr. P.H.K. Dayaratne, Team Leader (Land Acquisition and Resettlement), JBIC Section
5. Mr. J.A. Dharmasena, Project Manager, STDP Project Office, Bandaragama, JBIC Section
6. Ms. Thamara Wijewardena, Project Manager, STDP Project Office, Galle, ADB Section
7. Mr. M. Garusinghe, Project Engineer, STDP Project Office, Galle, ADB Section

Central Environment Authority

1. Mrs. Ramani Ellapola, Additional Director General
2. Ms. Kanthi de Silva, Director, Environmental Impact Assessment

Japan Bank for International Cooperation

Mr. Atsushi Kaneko, Chief Representative, JBIC Representative Office in Colombo

Finnroad

1. Mr. Juha Kosonen, Team Leader
2. Mr. Nandasena Maddugodage, Sociologist
3. Mr. Pubudu Binduhewa, Management Information System Manager

Halcrow Group Ltd

Mr. Dennis E.C. Knight, Team Leader

Pacific Consultants International and Japan Bridge & Structure Institute in association with Resource Development Consultants Ltd

Mr. Haruo Takeda, Engineer's Representative/Team Leader

University of Moratuwa

1. Professor N.T. Sohan Wijesekera, Team Leader
2. Dr. Priyantha Gunaratna, Deputy Team Leader
3. Mr. D.A.J. Ranwala, Hydrologist

Sardovaya Economic Enterprise Development Services

Dr. Sunil Liyanage, Director, Training & Enterprise Services

Centre for Poverty Analysis

1. Ms. Priyanthi Fernando, Executive Director
2. Ms. Neranjana Gunetilleke
3. Ms. Nilakshi De Silva

Center for Creative Response and Consultancies (Pvt) Ltd.

Ms. Kumudhini Rosa

NGO Forum on ADB

Mr. Hemantha Withanage, Executive Director

Persons Including project affectees met at the following places:**Homagama Division**

1. Mr. H.V. Dharmadasa
2. Mr. M.A. Athukorale
3. Mr. D.A. Premaratna
4. Mr. T.A. Wijedasa
5. Mr. G. Munidasa Walpola and his wife E.K. Manel
6. Mr. W.D. Hemantha and his wife G.M.C. Namali Aponso
7. Mr. H.D. J. Gunatilaka and his wife R.P.M. Hidallarachchi
8. Mr. G.H. Hapuarachchi

Bandaragama Division

1. Mr. Sunil Ranjith Dayaratne
2. Mrs. K.P.S.L. Keethisinghe
3. Mr. A.T.K. Perera
4. Mr. M.A. Sunil Perera
5. Mrs. M.D.A. Priyantha
6. Mrs. M.D. Gunawardena
7. Ms. Lalani Chandrika
8. Mr. Cyril Mundy
9. Mrs. Heather Mundy

Bandaragama public library

Ms. Chandrika Mallawarachchi, Librarian

Akmeemana Division

1. Mr. Sarath Athukorale
2. Mrs. Saraswathie Dahanayake
3. Mr. L.D.L. Pathmasiri
4. Ms. Susila Dahanayake
5. Mrs. Mangalika Disanayake
6. Mr. Saman Suraweera
7. Mr. M.V. Mahindaratna
8. Mr. A Sanjeewa
9. Mr. T. Dinesh
10. Mr. A.H. Pathirana
11. Mr. D.M. Saranadasa
12. Mr. D.M. Lionel de Silva
13. Ms. M.V. Pemawathie
14. Ms. M.V. Nandani
15. Mr. M. V. Ananda
16. Mr. H. Suraweera
17. Mr. M. V. Chandradasa
18. Mr. Terence Suraweera

19. Mr. U.J. Piyadasa
20. Mr. P.M. Karunadasa
21. Mr. M.V. Chitrananda
22. Mr. U.G.B. Padmasiri and his wife Mrs. U.G. Lakshmi Shanthi
23. Mr. D.M. Korale
24. Mr. A.A. Nihal
25. Mr. A. Weerapulli
26. Mr. A.A. Piyatilaka
27. Mrs. V.G. Pemawathie
28. Mrs. E.K. Randima Lakmali
29. Mrs. K.A. Ramya Chandrani
30. Mr. A.A. Sunanda
31. Ms. M.G. Jayaratne
32. Ms. M.K. Chandimal
33. Mr. G.D.D. Devapriya
34. Ms. A.K. Maginona
35. Ms. A. Weerapala
36. Mrs. H.G. Kulawathie
37. Ms. Y.M. Somathilaka

Hallalawatta Resettlement Site

1. Mrs. E.J.P. Pemawathie
2. Mr. C.P. Francis

Eththalahena Resettlement Site

Mr. R.H.L. Premalal, Chairman of the Eththalahena housing society

Kekirihena Resettlement Site

1. Mr. Rohana Hirimuthugoda
2. Mr. R. A. Jayatissa, Chairman of the Kekirihena housing society
3. Mrs. C.S. Seneviratne
4. Ms. G.K. Somalatha
5. Ms. E. Karunawathie
6. Ms. K.K. Malakanthi
7. Ms. U.G. Waidyaratne

Nakudimbiyawatta Resettlement Site

1. Mr. Jinadasa Hatarasingha
2. Mr. Aruna Nishantha Hatarasingha

Diyagama Resettlement Site

1. Mr. P. Kularatna
2. Mrs. P. Gnanawathie
3. Mrs. Sumithra Kumarage
4. Mr. K. Premasiri
5. Mr. K. Mapatuna
6. Mr. Anura Nilantha
7. Mrs. Neetha

ADB Sri Lanka Resident Mission

1. Mr. Alessandro A. Pio, Country Director
2. Mr. Munawar Alam, Senior Project Specialist
3. Mr. Amarasena Gamaathige, Social Sector/Resettlement Officer
4. Ms. Nishanthi Manjula Amerasinghe, Project Implementation Officer
5. Mr. K. M. Tilakaratne, Implementation/Program Officer
6. Ms. Nimali Hasitha Wickremasinghe, Economics Officer
7. Mr. Jagath D. Peththawadu, Project Implementation Officer
8. Mr. Shavindra Fernando, External Relations Officer
9. Ms. Nelun Gunasekera, Gender Specialist, ADB Staff Consultant
10. Ms. Dewi Utami, Senior Environment Specialist, South Asia Department (ADB HQ)
11. Mr. Jayantha Perera, Senior Compliance Specialist, South Asia Department (ADB HQ)

Photos from the CRP Monitoring Mission



Photo 1: Project affectees (carrying files on compensation payment) explaining their concerns to an interpreter assisting the Panel, Kahatuduwa



Photo 2: Project affectee (standing) discussing her concerns about her house which is under construction, Bandaragama



Photo 3: Project affectees explaining their concerns to Mr. Bissell (second from right) and an interpreter assisting the Panel (extreme left), Widegama East



Photo 4: Cracks in dumpsite near a house, off the ADB section of the Project highway in Akmeemana



Project 5: Road under construction in the ADB section of the Project highway, Akmeemana



Photo 6: Project affectees discussing their concerns in Akmeemana



Photo 7: Steep and unpaved road in Hallalawatta, an STDP resettlement site



Photo 8: A constructed house in Hallalawatta, an STDP resettlement site



Photo 9: STDP Project Manager, ADB section (second from left) discussing with CRP monitoring mission members and a Finnroad staff (second from left) on STDP activities in a meeting at STDP project office in Galle



Photo 10: Steep and unpaved road in Kekirihena, an STDP resettlement site



Photo 11: A project affectee in Kekirihena, an STDP resettlement site, with basic house and well he constructed. He spent a significant amount of the compensation received to plant cash crops.



Photo 12: Project affectee in Kekirihena, an STDP resettlement site, with his cash crops (including tea plants in the background) explaining to the Panel monitoring mission members his income generation activities



Photo 13: A house constructed in Kekirihena, an STDP resettlement site



Photo 14: From left, an interpreter assisting the Panel and project affectees outside a constructed house in Nakudumbiyawatta, an STDP resettlement site



Photo 15: CRP monitoring mission members (center) and a Finnroad staff (fifth from left) listening to affected people explaining their concerns in Diyagama, an STDP resettlement site