

[for public release]

International Bank for Reconstruction and Development (World Bank)  
Inspection of National Drainage Program Project (Pakistan)  
United States Position  
Board Date: October 31, 2006

The Inspection Panel has provided a useful and comprehensive report. Based on a thorough review of the information provided in the Panel's Report and the Management's Response, we concur with the Panel findings regarding the Bank's failure to comply with its policies on environmental assessment, natural habitat, indigenous peoples, involuntary resettlement, and project supervision.

The National Drainage Program Project and the earlier, related, Left Bank Outfall Drain Project have undoubtedly brought many benefits to communities in Pakistan. However, the people in the downstream area were not the principal beneficiaries of the drainage system. Moreover, they were most exposed to the risks of system failure and exacerbation of natural climatic extremes. While not all the flood damage can be attributed to the construction and subsequent damage of the drainage system, the lack of proper risk analysis and the failure to adequately plan for flood mitigation all contributed to further impoverishment of an already vulnerable population. The Panel is correct to say that the Bank had a responsibility to supervise the NDP Project in its totality and to pay adequate attention to the evolution of drainage issues in the downstream area, including issues arising from the collapse of some of the LBOD structures.

We welcome the Bank Management's Action Plan and the Livelihood Improvement Program for Badin and Thatta Districts in particular. Given the magnitude of poverty in the region, this Program is only a starting point, and we urge the Bank to work with the Government of Pakistan (GOP) and the Government of Sindh (GOS) to see a more concerted effort to assist those still suffering from the 2003 floods, perhaps through the Coastal Development Program. These poverty alleviation measures should benefit from a strong public consultation process that takes into account local stakeholder concerns and proposals. A number of NGOs are active in the area; we hope the Bank, working with government officials, will engage them and draw on their knowledge to help formulate appropriate socio-economic interventions.

The Sindh Water Sector Improvement Program will help formulate a flood management master plan for the left bank of the Indus River. This master plan should provide for the physical and institutional tools to mitigate floods, and protect human life and livelihoods. The Bank's current work on building country capacity for adaptation to the risks posed by climate volatility and environmental degradation will be useful in this regard. We urge the Bank to work with the Pakistani authorities, at the national and provincial levels, on priority funding for the flood management plan and for environmental remediation of the wetlands in the region. We agree with Management's statement that there are risks of delay in implementation of the proposed action plan, and encourage the Bank to remain heavily engaged with the GOP and GOS authorities. We look forward to Management's report to the Board in twelve months on the progress and status of follow-up actions.