

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

THE INSPECTION PANEL

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Gonzalo Castro de la Mata
Chairman

IPN REQUEST RQ 14/08

January 22, 2015

**MEMORANDUM TO THE EXECUTIVE DIRECTORS
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

Request for Inspection

India: Second Tamil Nadu Road Sector Project (Proposed)

Notice of Non-Registration

Summary

1. In accordance with paragraph 17 of the Resolution¹ establishing the Inspection Panel (the "Panel"), I hereby inform you that on December 19, 2014, the Inspection Panel received a Request for Inspection (the "Request") of the IBRD-proposed India: Second Tamil Nadu Road Sector Project (TRSP-II) (the "Project"). The Request is herein attached. Since the Requesters asked for confidentiality, their names have been removed.
2. The Panel decided not to register the Request after determining that it does not meet the admissibility criteria for registration given that the road construction activities, the subject of the Request, are not planned to be financed by the proposed World Bank Project.

The Request

3. The Request was submitted by 15 representatives of the potentially affected area of Kunjandiyur to Periyar Nagar, Salem District, in the State of Tamil Nadu, India, on behalf of 297 individuals (the "Requesters"), and presented various documents in support of their claims, including "resolutions" passed by three village councils and a retailer's association. The Requesters asked that their communication be kept confidential.

¹ The World Bank Inspection Panel, International Bank for Reconstruction and Development, Resolution No. IBRD 93-10, dated September 22, 1993.

The Project

4. The Project is a specific investment loan still at the appraisal stage, with approval scheduled for February 20, 2015. Total Project cost is approximately USD778.20 million, out of which the International Bank for Reconstruction and Development (IBRD or the “Bank”) is financing USD300.00 million.

5. According to the Appraisal Project Information Document, the Project’s Development Objective, is to “*increase road capacity, enhance quality of maintenance, improve safety and support institutional development of the Tamil Nadu’s core road network (CRN) of state highways.*”

6. The Project has three components: (i) network improvement, supporting the “upgradation”² and/or maintenance of selected roads within the Tamil Nadu’s core-road network; (ii) institutional capacity enhancement, which envisages policy level actions and commitments to improve both mobilization and allocation of resources and operational-level initiatives to enhance efficiency; and (iii) road safety.

7. The Project is Category “A.” The Appraisal Project Information Document states that the following safeguards are triggered: OP/BP 4.01 on Environmental Assessment; OP/BP 4.04 on Natural Habitats; OP/BP 4.11 on Physical Cultural Resources; OP/BP 4.12 on Involuntary Resettlement; and, OP/BP 4.36 on Forests.

Concerns Raised in the Request

8. The Requesters allege that the Project may support the upgrading of the State Highway between Thoppur in Dharmapuri District and Bhavani in Erode District (SH-20), and the construction of bypasses in Mecheri and Nerinjipettai. They state that since 1934 their community has experienced several instances of resettlement, including: (i) in 1934 for the construction of the Mettur Dam, (ii) in 1965 for the construction of the Madras Aluminium Company Ltd, (iii) in 1987 for the construction of the Mettur Thermal Power Station, and (iv) the later expansions of the Mettur Thermal Power Station. They state that under the “*pretext*” of better roads, their livelihoods are often disturbed.

9. The Requesters claim that the livelihood and safety of thousands of people (mostly low and middle income households and shopkeepers) will be affected by these road works. This includes 5,500 workers living on daily wages who have not been considered in the socio-economic baseline study for the affected population.

10. They also claim that approximately 15,000 students who cross the road at least twice daily to go to seven schools in the area will risk their safety. They add that parallel to the road, there is a railway track, which under this design leaves no space for pedestrians and increases the chances of accidents. They also add that 400 to 500 trucks, carrying 8,500 to 10,500 tons of polluting material such as fly ash, red bauxite, coal, hydrochloric acid, chloroform, methylene chloride, carbon tetrachloride and magnesium sulfate use the road daily, further increasing safety risks.

² “Upgradation” is a technical term used widely in India to mean “road upgrading” as in widening them, often from 2 lanes to 4 lanes. This is in contrast with road rehabilitation which relates to road-surface improvements.

11. They also state that the first public hearing with potentially affected people, that took place on November 22, 2014, came “very late” in the design and included limited information. Finally, they recommend a re-alignment of the planned road works to include a bypass “*around the town of Mettur from Kunjandiyur and joins the Bhavani road prior to Mettur Thermal Power Station,*” and that a baseline study of “*the number of people likely to be affected by this project and their social, economic, and demographic characteristics would be essential to propose a viable solution and the most suitable option for the affected people.*”

12. They request the Panel to visit the Project area and “*take necessary action to save thousands of families, livelihood and their future in sympathetic approach.*”

Panel's Determination

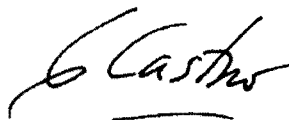
13. Following the receipt of the Request, the Panel issued a Notice of Receipt on its web site, and reviewed the information contained in the Request and Project documents. Furthermore, the Panel met with Bank Management on January 21, 2015 to seek additional information and clarifications. This information included the full list of State Highways to be financed by the Project.

14. The Panel determined that the road works relating to the State Highway between Thoppur – Bhavani Road (SH-20) are not to be financed by the Project and therefore the Panel concluded that the Request does not meet all of the admissibility criteria for Registration.

15. In light of the foregoing and in accordance with the Panel Resolution, its Clarifications, and its Operating Procedures, the Panel is not registering the Request for Inspection.

16. The Panel notes that, if in the future, the roads in the Request are supported by Bank financing, the Panel would be in a position to reassess the existence of a plausible link between a Bank-supported Project and the alleged harms. Hence, the Requesters retain their right to re-submit a Request for Inspection concerning the issues raised.

Yours sincerely,



Gonzalo Castro de la Mata
Chairman

Attachment

Mr. Jim Yong Kim, President
International Bank for Reconstruction and Development

The Executive Directors and Alternates
International Bank for Reconstruction and Development

APPLICATION REQUESTING THE VISIT OF INSPECTION PANEL OF WORLD BANK WITH REGARD TO A WORLD BANK AIDED PROJECT IN TAMILNADU,INDIA UNDER TNRSP-II

To:

Inspection Panel,
Mail Stop MC 10-1007, 1818 H Street,
N.W., Washington, D.C. 20433, U.S.A.

From:

The following representatives of affected area (Kunjandiyur to Periyar Nagar, Salem –District, Tamilnadu-State, India)

Ser No	Name of People's (Applicants from the affected area	Address	Telephone Number
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			

LIST OF DOCUMENTS

1. DETAILS OF THE BANK PROJECT
2. A STUDY ON THOPPUR – BHAVANI ROAD FUNDED BY WORLD BANK UNDER TNRSP –II STATE HIGHWAYS 20
3. VARIOUS RESOLUTIONS PASSED
 - (a) GONUR VILLAGE PANCHAYAT
 - (b) VERRAKALPUDUR TOWN PANCHAYAT
 - (c) P.N. PATTY TOWN PANCHAYAT
 - (d) RETAILER'S ASSOCIATION OF METTUR DAM
4. NEWS PAPER PUBLICATION ABOUT HUNGER STRIKE BY THE PEOPLE.
5. PUBLIC SIGNATURES SUPPORTING THE REQUIREMEN OF BY PASS ROAD.

DETAILS OF THE BANK PROJECT

1. **Name and description of the Bank project**

Contract Awarded for Preparation of consultancy services in preparing a Detailed Project Report (DPR) for various road improvement works under Tamil Nadu Road Sector Project II (TNRSP - II) : Contracts PPC 03, India

2. **Contract Value** : Rs 9,72,08,000
3. **Contract No. & Date** : 5/2013-14 Dated : 11.10.2013
4. **Contractor name** : M/S. CDM SMITH INDIA PRIVATE LIMITED,
5. **Contractor address** : 75, 2nd Floor, 14th Cross
1st Block, R T Nagar, Bangalore 560032,
Karnataka ,INDIA

Tamil Nadu Road Sector Project
TNHB Complex, II Floor,
48, Dr. Muthulakshmi Salai,
Adyar, Chennai - 600 020.
Telephone : 91 - 44 - 24465360
TeleFax : 91 - 44 - 24464414
country :India

A STUDY ON THE PLANNED THOPPUR – BHAVANI ROAD
WITH THE WORLD BANK AID UNDER
TNRSP-II IN STATE HIGHWAYS 20

MAP FOR TAMIL NADU ROAD SECTOR PROJECT - PHASE II

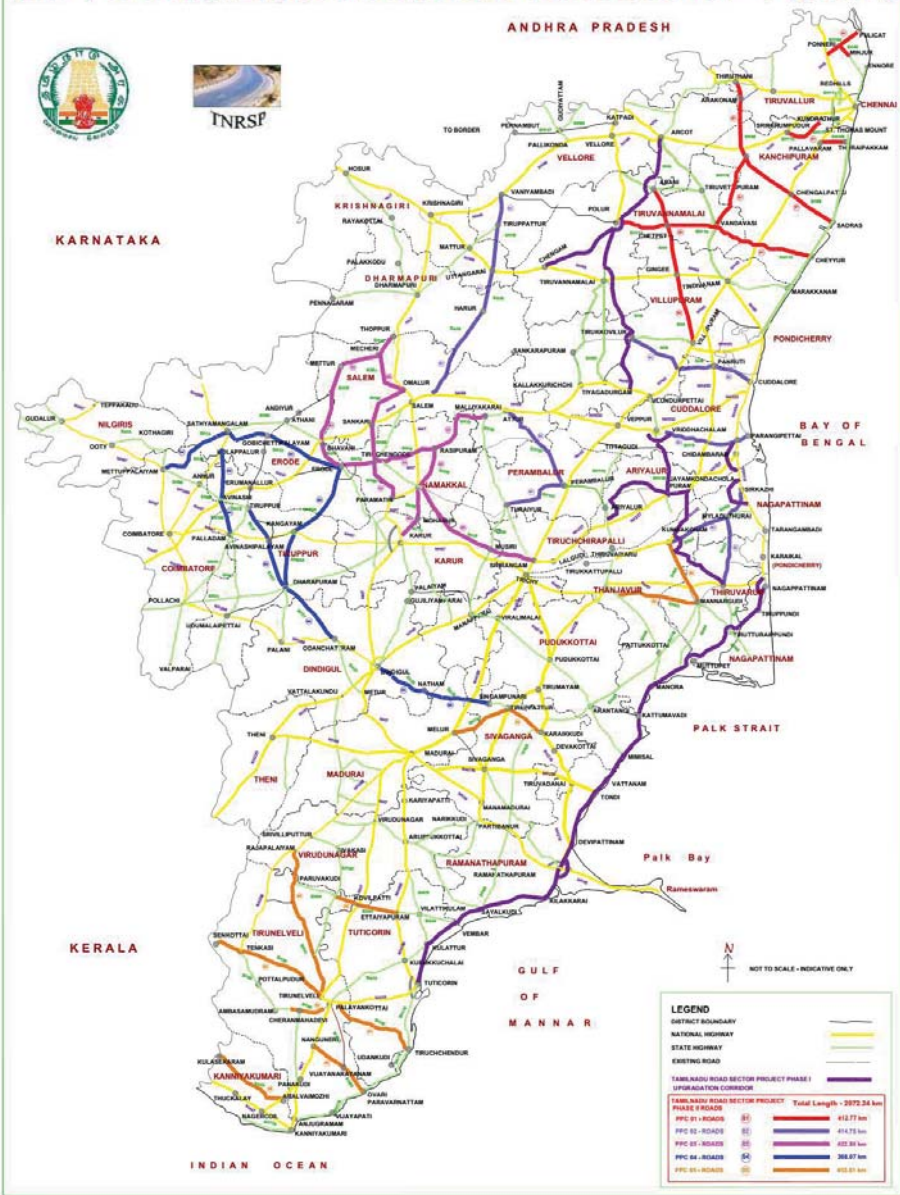


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INTRODUCTION

1. The Mettur Dam is one of the oldest and largest dam built in the year 1934. It was constructed in a gorge, where the River Kaveri enters the plains. It provides irrigation facilities to Salem, Erode, Tiruchirappali and Thanjavur districts. The dam had a long history from the year 1834 to the year 1934. The construction work of the Mettur dam was commenced in the year 1925 and the entire work was completed and opened for irrigation by the Governor of Madras, Sir George Stanley on 1934 and hence named as Stanley Reservoir. The total length of the dam is 1700 meters. The dam, the park, the major Hydro Electric power stations and hills on all sides make Mettur a major tourist attraction.

THE THOPPUR – BHAVANI ROAD PROJECT

2. Under the TRSP-II program, 4 laning of 94 Kms from Thoppur in Dharmapuri dt to Bhavani in Erode dt via Mecheri, Mettur in Salem dt and Nerinjipettai in Erode dt has been planned with world bank aid. The public hearing for this project has been conducted for the first time on 22 Nov 2014 by Highways authorities alongwith M/s. CDM-Smith and public representatives. In this project both Mecheri and Nerinjipettai will have bypass roads. The specifications given are as follows

(a) The road will be wide for 30m in residential areas

(b) Bypass road will be 40m wide

(c) All other areas will be 35m wide.

DEMOGRAPHY – A PRELUDE

3. The demography details of the area covered in this project are as follows:
- (a) Mecheri is a Town Panchayat has population of 25,676 of which 13,495 are males while 12,181 are females as per report released by Census India 2011. The Mecheri town is divided into 18 wards.
 - (b) The Nerunjipettai Town Panchayat has population of 6,791 of which 3,446 are males while 3,345 are females as per report released by Census India 2011. Nerunjipettai is a Town Panchayat in district of Erode, Tamil Nadu. The Nerunjipettai town is divided into 15 wards.
 - (c) Mettur is a Municipality in the district of Salem, Tamil Nadu and is divided into 30 wards. The Mettur Municipality has population of 52,813 of which 26,202 are males while 26,611 are females as per report released by Census India 2011.

MIGRATION – A MAJOR PROBLEM

Initial Migration

4. In the year 1910 – 1924 , Seven sites were investigated for Mettur dam, they were Urachi, Nerunjipet, Navapet and four places at Samballi. Finally the present location of the reservoir was selected from Samballi. The Stanley Reservoir is one of the largest of its kind in India and it was completed in the year 1934. The creation of the reservoir caused the submersion of two villages, all of whose inhabitants were relocated to Mettur, presently where the Madras Aluminium Company Ltd (MALCO) is situated and Chinnakavur.

Second Migration

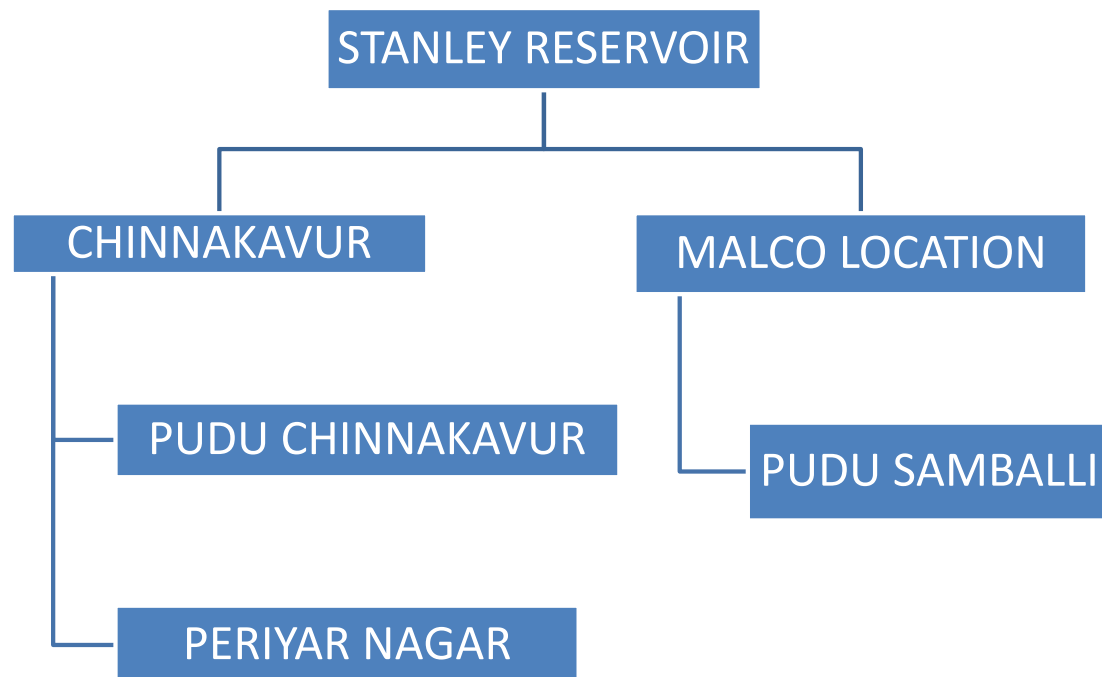
5. The Madras Aluminium Company Ltd. (MALCO) was established in the year 1965 and for construction of the company the relocated inhabitants of Stanley Reservoir site were again relocated for the second time to Pudu Samballi area of Mettur.

Subsequent Migrations

6. The Mettur Thermal Power Station was built up in the year 1987 onwards and presently running with five units in Chinnakavur area of Mettur. Initially, as part of this power project the people relocated due to construction of Stanley reservoir were again relocated to Pudu Chinnakavur. With further expansion of more units, once again the people were relocated to Periyar Nagar area from Pudu Chinnakavur.

The Relocation Tree

7. The following tree diagram indicates the number of migrations /relocation the people of mettur had undergone :-



Expansion of Railway line

8. To support the coal requirements of five units of Mettur Thermal Power Station and other private thermal power generation companies a second railway track is planned and its under implementation. Due to this, there will be massive eviction and by which again the people of Pudu Samballi and surroundings are loosing their household and livelihood.

9. Apart from the number of migrations and evictions , the agricultural land of the locals were also evicted number of times for construction of High Tension power lines and construction of water lines . Under the pretext of extending better road facilities the livelihood of the people were often disturbed. The latest being, widening of road in Chinnakavur and Thangamapuri pattinam area.

THE OTHER EMINENT PROBLEMS

10. The other eminent problems that are required to be addressed are as follows:

(a) In the proposed route announced by the highways authorities, places like Mecheri and Nerinjipettai with very meager population have been considered for bypass roads where as Mettur with more population and industries was not considered for the bypass.

(b) The above project affects the livelihood of thousands of people mostly the low and middle income house holds and the shopkeepers from Kunjandiyur to Periyarnagar for approximately 6 Kms.

(c) There are seven schools in Mettur which lies in the proposed road axis with a strength of 1500 to 3000 students per school. Every student has to cross the road at least twice a day and this poses a serious threat to the students and the total number of students affected by this project will be 15000 approximately. The schools that lies within a proximity of 100 to 700 Mtrs from the road are tabulated below with approximate strength of students:-

SNo	Name of the School	Approximate Strength	Distance from the Road in Mtrs
01	Malco Vidyalaya Higher Secondary School	3000	100
02	Vaidheeswara Higher Secondary School	2500	75
03	JEMS International School	500	80
04	Nalanda School	1000	150
05	Kunjandiyur Govt School	1500	50
06	Gonur High School	2000	300
07	Ramesh Metal School	2000	300

(d) The parallel lay of the road and the railway track makes no erstwhile space available for the pedestrians including the students and they are sandwiched between the track and the road which increases the possibility of accidents



(e) At present daily 400 to 500 trucks are plying in the existing road by carrying 8500 to 10500 tonnes of fly ash from Mettur Thermal Power Project and causes a lot of pollution. The construction of a bye pass to Mettur Thermal Project is therefore a necessity by which the vehicles carrying fly ash can avoid the existing road totally.

(f) At present from all the major industries and small scale industries, following chemicals are transported through the highly populated area of the town – fly ash, red bauxite, coal, Hydrochloric acid, Chloroform, Methylene chloride, carbon tetrachloride and Magnesium sulphate are some of them which are very hazardous in nature. To avoid transporting the chemicals through the populated area there is a definite requirement of a bye pass road .

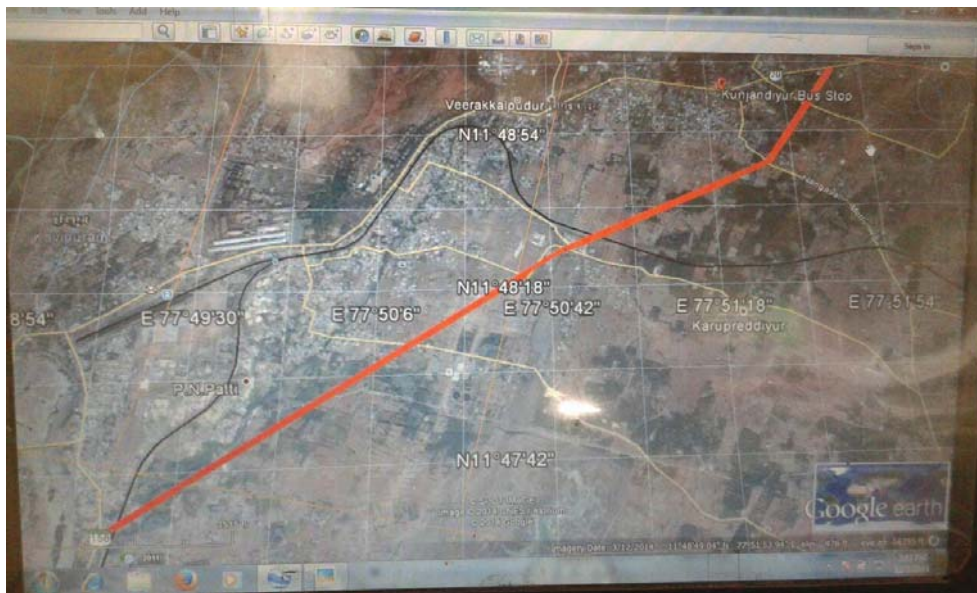
(g) Since the objective of land acquisition in any such project indicates highest priority to avoid or minimize the disturbances to local population. As per the proposed plan in this project the acquisition of land will affect thousands of lives and livelihood of local population and eliminates many traditional sources of income. And there is no scope restoration of income.

(h) The first public hearing of the potentially affected people was held on 22 Nov 2014 by the authorities and they have recorded the views of the people. As a prime stake holder the potentially affected people were kept unaware of the developments till the day of public hearing. What information they have received has typically been limited and provided very late. The World Bank indicates not only enforcement of its policies, but also follow transparency and encourage participation of people in the decision-making processes in such projects.

(j)The 5500 daily wages workers affected by this project can be taken as the baseline on calculating the social and economic status of the population who are likely to lose their means of livelihood or homestead due to the acquisition of land if this project is carried out.

THE RECOMMENDED SOLUTION

11. The solutions that are recommended to overcome the above problems are as follows:
- (a) An alternate route aimed at avoiding or minimizing the resettlement and rehabilitation is readily available for a bye pass and it will ensure the socio-economic activities of the potentially affected people and restoration of their income.
 - (b) The suggested Bye pass road will alleviate many of the problems concerning the potentially affected people and will be a viable solution for the project and subsequently for a smooth change over.
 - (c) From Kunjandiyur the suggested bye pass to follow the following route alignment :



- (d) The suggested road skirts around the town of Mettur from Kunjandiyur and joins the Bhavani road prior to Mettur Thermal Power Station. The construction of the above bye pass will benefit the people of Mettur immensely and solve all the above problems.
- (e) The above bye pass will make the resettlement and rehabilitation also minimal and easier due to more of vacant land and less no of affected people.

CONCLUSION

12. An understanding of the number of people likely to be affected by this project and their social, economic, and demographic characteristics would be essential to propose a viable solution and the most suitable option for the affected people. In this project construction of a by-pass road is the viable and recommended solution.

13. It is evident from the previous projects of World Bank, it has also drawn up several operational directives that include mandatory policies, operational guidelines to deal with such issues pertaining to baseline surveys and about the potentially affected people who have been affected by such projects. Accordingly in this proposed road project it is requested that the authorities should encourage people's participation in debating the merits of the project or in creating alternatives, and there should be open negotiation to quell protest.

14. In the proposed project, the expected benefits have been greatly exaggerated, whereas socio-economic problems have been severely downsized and presented as manageable and they are simply ignored.

15. We request to take necessary action to save thousands of families, livelihood and their future in a sympathetic approach.