



ASIAN DEVELOPMENT BANK

COMPLIANCE REVIEW PANEL

6 December 2004

Dear Sarath Athukorale, L.D.L. Pathmasiri and A.A.D. Sunil Ranjith Dayaratne

**Subject: Notice of Registration of Request for Compliance Review
Request No. 2004/1
Country: Sri Lanka
Southern Transport Development Project (Loan No. 1711-SRI)**

The Compliance Review Panel (CRP) refers to the request for compliance review (Request) filed by the Joint Organization of the Affected Communities of the Colombo-Matara Highway (JO) on the Southern Transport Development Project (STDP or Project) in Sri Lanka on 17 November 2004.

The Request was filed after the complaint submitted by JO entered step 7 of the consultation process in the consultation phase of the ADB Accountability Mechanism referred to in the paragraph 14 of the CRP Operating Procedures. Parallel process of both consultation and compliance review is allowed at this stage.

We also refer to the subsequent email exchange between the CRP and JO on 18 November 2004, 1 December 2004, and 2 December 2004, in order that the CRP can register the request with the "requisite basic information" as referred to in paragraph 30 of the CRP Operating Procedures.

Based on the Request and the subsequent email exchange, the Request is filed by JO representing 28 persons negatively affected by the Project (Requesters). The Requesters claim that the "ADB RRP [Report and Recommendation to the President] and its attached documentation were for a trace known as the Combined Trace (CT). At least, 40% of this trace has since been altered by the Road Development Authority (RDA) to a trace referred to as the Final Trace (FT)."

The Requesters also claim to be suffering from, or will be suffering from, harm as a result of alleged noncompliance by ADB of its operational policies and procedures under the Project as follows: 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. JO has asked that the identity of 25 Requesters be kept confidential.

The Requesters have 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; formulation and implementation of loan covenants; procurement of goods and services; and anticorruption.

The Requesters are seeking the following specific remedies from the ADB: suspension of disbursement of the loan by ADB; and full investigation of the Highway by an Independent Committee which should include representatives of the Requesters as members, including the

Committee recommending a trace that meets the criteria "applied in selecting the Combined Trace."

The CRP is satisfied that the Request contains the requisite basic information. In accordance with paragraph 30 of the CRP Operating Procedures, the CRP on this date registers this Request as Request No. 2004/1 in the CRP Registry at www.compliance.adb.org and issues a press advisory on the registration of the Request.

As advised, all communications with the Requesters in connection with the Request will be made with the following persons at the following address:

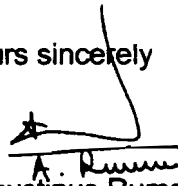
Mr. Sarath Athukorale
President
Joint Organization of the Affected Communities of the Colombo-Matara Highway,
No. 1 Baddegodahena Watte
Weedagama, Bandaragama
Sri Lanka
Email: joacmh@sltnet.lk

Mr. A.A.D. Sunil Ranjith Dayaratne
Secretary
Gama Surakeema Sanvidhaniya
"Pasan Niwasa"
Gelanigama, Bandaragama
Sri Lanka
Email: ggama@mail.ewisl.net

Please use "Request No. 2004/1" as subject matter in any communication with the CRP.

In accordance with paragraph 31 of the CRP Operating Procedures, the CRP will determine, within 14 days from today, whether the Request is eligible, and will inform the Requesters of its decision. If the CRP determines that the Request is ineligible, it will inform the ADB Board of Directors of its decision. If the CRP determines that the Request is eligible, it will recommend to the ADB Board of Directors that a compliance review be authorized.

Yours sincerely



Augustinus Rumansara
Chair, Compliance Review Panel

Mr. Tadao Chino
President
Asian Development Bank

Directors and Alternate Directors
Board of Directors
Asian Development Bank