
I. Background, Scope, and Methodology

A. Introduction

The major sectors in which infrastructure projects are implemented in India include irrigation, mining, industry, power, ports, water supply, and roads and highways. Infrastructure projects in these sectors entail acquisition of private land, which requires not only paying compensation to owners but also resettlement and rehabilitation (R&R) of affected persons (APs). Although these projects are important for national development, they often adversely affect some groups. Hence sound policies and measures needed to protect the lives, human rights, and welfare of such people become an integral part of development projects.

Involuntary resettlement will remain a major challenge in the foreseeable future. If anything, the number of projects that involve land acquisition will increase. Land is a basic requirement for these projects and owing to rapid population growth uninhabited areas are increasingly becoming scarce. In the circumstances, the only option is to acquire private land in populated areas.

People displaced by development projects often have to move elsewhere to start a new life. There is a strong element of compulsion in displacement: long-established social networks are disrupted and with them the social systems through which members of the community are sustained. For those forced to resettle in new locations, displacement is indeed an unmitigated disaster. Things become further intolerable when those in authority fail to show due consideration to the APs. The trauma is greater when displacement is attended by lack of information, uncertainty, long waiting periods, poor compensation, social dislocation, and the culture shock that results when cohesive communities are scattered and resettled away from their kinship and linguistic groups.

Most large-scale development projects in India have been planned and executed through a centralized,

hierarchical, and capital-intensive approach, based on the assumption that technology has the answer to all development problems. As a result, project authorities have adopted a centralized “command and control” system for administering and managing all stages of a project cycle. The approaches, techniques, and systems, which were perhaps suitable for construction and mechanical production, were applied to communities.

Studies point to the impoverishment of APs because of projects and not their state of poverty before the project comes into the area (Fernandes 2000). Article 21 of the Constitution guarantees to every Indian citizen the right to life with dignity. When projects deprive them of their livelihood, they have a right to begin a new life that protects their economic interests, culture, and social system (Vaswani, 1992).

In national development, policy makers give priority to economic growth rather than to the people. Displaced persons (DPs) are often not resettled satisfactorily. Though externally aided projects have resettlement packages, their approach to resettlement has limitations. Studies show that the strong (high-caste, upper-class families, especially men) become stronger. The weak (the poor, low-caste, particularly women) become weaker.

1. Scale of Land Acquisition

More than 150,000 square kilometers (km²) of land may have been acquired for development projects in India between 1951 and 1995. More than half of this is estimated to be private property, and the rest forests and other common property resources (CPRs), which provide sustenance for the poor. Between 1951 and 1995 in Orissa, about 1 million hectares (ha) of land have been acquired (Fernandes and Asif, 1997), and in Andhra Pradesh, a little more than that (Fernandes et al, 2001). This is more than 5% of each of these state’s landmass. In Goa, about 3.5% of its land area was

acquired between 1965 and 1995. This is in addition to the more than 11% of Goa's landmass that was under mining leases before its integration with India in 1961 (Fernandes and Naik 1999). In Kerala, the total area acquired between 1951 and 1995 is a little over 3.0% of the state's landmass (Murickan, 2003).

2. Population Affected by Land Acquisition

While development-induced displacement occurs throughout the world, two countries in particular—the People's Republic of China (PRC) and India—are responsible for a large portion of the displacements. In India, though land acquisition has deprived several thousand families of their livelihoods, there is no reliable database on the numbers displaced. Table 1, which has been compiled from secondary data, gives an estimate of DPs as 21.3 million between 1951 and 1990, 16.5 million of them in water resource schemes alone. At present, the overall numbers of displaced probably exceeds 30 million overall (this number includes all categories of projects, e.g., water resources, mines, industries, transport, and wildlife sanctuaries). After 1990, World Bank projects in the transport sector alone have affected 284,857 persons, whereas projects funded by the Asian Development Bank (ADB) have affected more than 60,000 persons.

According to Government records, at least 75% of the DPs have not been fully resettled so far (Fernandes and Paranjpye, 1997: 6).

Recent studies show that the figures in Table 1 are low. For example, the figure of 600,000 DPs and APs from park and sanctuary projects is misleading because studies have shown that while very few people are displaced, many are deprived of their livelihoods. According to Ashish Kothari (1999), DPs from parks and sanctuaries could not have exceeded 100,000, but the APs may exceed 300,000. In Orissa and Andhra Pradesh, studies (e.g., Kothari, 1999) indicate that there are more than 100,000 APs for each of the parks and sanctuaries. The figure of 1.25 million DPs and APs from industrial projects up to 1990 can be compared with findings showing that Orissa had more than 158,000 DPs and APs in 1951–1995, while Andhra Pradesh had over 500,000. Studies (e.g., Kothari, 1999) indicate that the all-India estimate of 500,000 for the “others” category is also grossly underestimated: there were at least 35,000 people in Goa, 100,000 in Orissa, and 192,000 in Andhra Pradesh who were deprived by projects, such as those for transport, educational institutions, and government offices, who are included in that category.

Therefore, the actual number of DPs and APs is higher than the above estimates based on secondary data. To date, the estimated numbers of DPs and APs has reached a figure of more than 3.2 million in Andhra Pradesh, 1.5 million in Orissa and 60,000 in Goa. To put the situation in a different perspective, the largest numbers were displaced before 1970 and hence the DPs and APs in those decades would have been a much bigger proportion of the overall population.

Table 1: Conservative Estimate of Displaced Persons in India, 1951–1990, millions

Project Type	Dams	Mines	Industry	Wildlife	Others	Total
DPs						
All DPs	16.40	2.55	1.25	0.60	0.50	21.30
%	7.7	1.2	0.59	0.28	0.23	10.00
Resettled %	4.1	0.63	0.375	0.125	0.15	5.38
% of DPs	2.5	2.47	3.00	2.08	3.00	13.05
Backlog	1.23	1.92	0.875	0.475	0.35	1.592
% of DPs	75.00	75.30	70.00	79.20	70.00	75.00
Tribal DPs	6.321	1.33	0.313	0.45	0.125	8.539
% of All DPs	38.50	52.20	25.00	75.00	25.00	40.00
Resettled %	15.81	03.30	00.80	01.00	00.25	21.16
% of Tribal DPs	25.00	25.00	25.00	22.00	20.00	25.00
Backlog %	47.40	10.00	02.33	03.50	01.00	64.23
% of DPs	75.00	75.00	75.00	78.00	80.00	75.00

DP = displaced person, % = percent.

Source: Fernandes, Walter. 1994. Development Induced Displacement in Tribal Areas of Eastern India. Mimeo, pp 24, 32. New Delhi: Indian Social Institute.

B. Objectives and Scope of Work

ADB commissioned this Regional Technical Assistance (RETA) for Capacity Building for Resettlement Risk Management to support country-level implementation of ADB's involuntary resettlement policy. "Involuntary resettlement" may be caused by three types of action or process associated with a project, i.e., acquisition of land and other fixed assets, change in the use of land, and restrictions imposed on access to land or other income sources. "Risk" is defined as the possibility of suffering some form of loss or damage arising from a specific action or process. These losses and adverse impacts are mostly felt in household income, livelihoods, dwellings, and social capital.

The main objective of this RETA is to identify key issues related to the risks of impoverishment arising from involuntary resettlement. It aims to generate knowledge regarding: (i) identification of impoverishment risks associated with displacement, dispossession, and denial of access to income sources; and (ii) management of risks through development strategies. In addition, the RETA provides recommendations on a range of resettlement management aspects based on lessons learned from project experience. To substantiate the findings, two case studies were also carried out, namely the Third National Highway Project (TNHP) funded by the World Bank and the Western Transport Corridor (WTC) funded by ADB.

The scope of work covers the following:

- (i) Collect, review, and collate relevant information on policy guidelines and the legal framework concerning involuntary resettlement;
- (ii) Assess the adequacy of the policy framework and depth of the implementation process concerning involuntary resettlement with special reference to gender and vulnerable groups;
- (iii) Review the land acquisition process and payment of compensation, including methods for determining replacement cost;
- (iv) Review the consultation process through the life cycle of a project and how the views of APs are considered in different phases of the project; and
- (v) Assess the income restoration measures undertaken and their sustainability.

In order to achieve these objectives, the following tasks were carried out or outputs produced:

- (i) Consultations with key stakeholders;
- (ii) Analysis of existing databases of two selected projects to identify resettlement risks;
- (iii) Field surveys of the two projects;
- (iv) Reports on operational issues in managing resettlement risks, asset valuation at replacement cost, restoring/improving incomes and living standards, and proposals on how resettlement policy and procedures could be improved;
- (v) Resettlement resource databank/List of agencies involved in R&R (Appendix 5);
- (vi) Resettlement handbook for highway projects;
- (vii) Recommendations for capacity-building measures; and
- (viii) Identification of issues for further studies.

C. Methodology

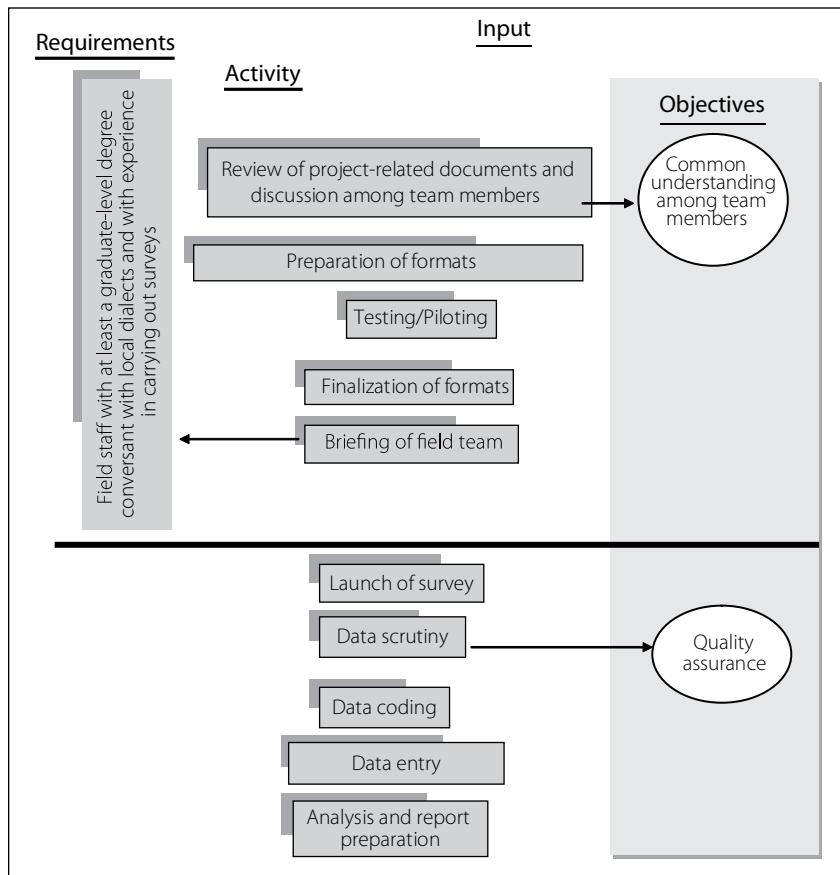
The data for the RETA were collected through primary and secondary sources. Primary data were collected using both quantitative methods (through structured questionnaire) and qualitative methods (group discussion with APs and interviews with NHAI officials, revenue officials, and NGO representatives and consultants). Secondary data were collected from NHAI, Ministry of Rural Development, NGOs, consultants, and various published material. A list of persons and agencies consulted is presented in Appendix 4. The following steps were taken to collect data to achieve the stated objectives (Figure 1):

- Step 1: Preliminary site visit;
- Step 2: Review and assessment of policy, legal, and institutional framework;
- Step 3: Study of project-affected areas, affected families, and affected persons;
- Step 4: Sample survey;
- Step 5: Consultations with NHAI, revenue officials, NGOs, and consultants;
- Step 6: Consultations with APs; and
- Step 7: Impoverishment risk assessment.

1. Step 1: Preliminary Site Visit

A preliminary visit to the Tumkur–Haveri section of WTC was made in October 2004. The objective was to make an assessment of field conditions, understand site conditions, and seek information on social aspects and the project requirements. This helped prepare the questionnaire for the sample survey.

Figure 1: A Diagrammatic Representation of Field Survey Coordination/Management



Source: Prepared by the author.

2. Step 2: Review and Assessment of Policy, Legal, and Institutional Framework

Existing policies, acts, and guidelines were critically reviewed to identify gaps and their adequacy in the existing institutional arrangements. The documents reviewed include:

- (i) National Policy on Resettlement and Rehabilitation (NPRR);
- (ii) Land Acquisition Act, 1894;
- (iii) National Highways Act, 1956;
- (iv) R&R policies and acts of state governments and parastatal agencies;
- (v) ADB's Involuntary Resettlement Policy and *Handbook on Involuntary Resettlement: A Guide to Good Practice*;
- (vi) World Bank's Operational Policy/Bank Procedure 4.12 on involuntary resettlement; and
- (vii) Resettlement plans of TNHP and WTC.

3. Step 3: Study of Affected Areas, Affected Families, and Affected Persons

Secondary data pertaining to socioeconomic status of the affected population were collected. This helped in identifying the:

- (i) Impact on the communities and access to social infrastructure;
- (ii) Impact on individuals;
- (iii) Impact of the resettlement package on APs;
- (iv) Reaction of APs to resettlement packages; and
- (v) Process of land acquisition and R&R.

4. Step 4: Sample Survey

Since the database provided by NGOs lacked information on postproject scenarios, it was necessary to conduct sample surveys among APs who lost land and/or their livelihood. A survey was carried out among 25% of the total APs (losing either land or livelihood). Two highway projects—

TNHP and WTC—were taken up as case study projects in consultation with ADB (Appendix 1). The reason for selecting these projects was to make a comparative analysis of ADB-assisted and World Bank-assisted projects in terms of compensation and R&R assistance, and income restoration planning and implementation. Micro plans prepared by implementing NGOs (South Asian Foundation for Human Initiatives [SAFHI] for package IV.B and IV.D and CRADLE for package VA and V.C) were considered as the “universe” for TNHP, and the database of APs submitted by Development Management Trust (implementing NGO) to NHAI that for WTC.

a. Sampling process

For the primary survey, four packages from TNHP and the Tumkur–Haveri section of WTC were considered. Packages were selected in consultation with NHAI and ADB. APs listed in micro plans (which contain complete

details about APs in regard to their socioeconomic status, and compensation and assistance to which they are entitled) and the database were considered as the universe for the purpose of the survey. Random numbers were generated to select first respondents and subsequently the required number of APs were selected at a fixed interval. A total of 1,100 APs were selected from four micro plans of TNHP and 1,200 APs were selected from the database of WTC. A total of 1,112 APs in TNHP and 1,203 in WTC were finally covered.

b. Information generated

The data generated (Appendix 2) includes demography; usual activities, occupational structure, expenditure patterns; average amount of compensation received; number of installments; utilization of R&R assistance and compensation; training for income restoration; trades selected; and project sensitization and satisfaction of APs with the R&R package.

c. Organization of survey

Temporary supervisors and investigators were hired for the survey. The team deployed for TNHP was picked from Varanasi and Aurangabad, whereas for WTC the team was selected from Bangalore. The resettlement expert briefed the teams. Each team had six investigators and one supervisor.

5. Step 5: Consultations

Discussions were held with NHAI staff at headquarters as well as at project implementation units and also with local revenue officials in order to:

- (i) Identify measures taken by the project authority in resettlement;
- (ii) Identify the role of NHAI and other line departments in management of R&R;
- (iii) Assess the project authority's options for providing compensation and entitlement under the current legal framework;
- (iv) Identify constraints in preparation of land acquisition plans;
- (v) Identify constraints in implementation of land acquisition and R&R plans; and
- (vi) Identify sample stretches for primary survey.

6. Step 6: Consultation with Affected Persons

During the course of the primary survey, consultations were held with APs in order to:

- (i) Identify key stakeholders;
- (ii) Assess the livelihoods, survival strategies, and preferences/priorities of affected households; and
- (iii) Assess the satisfaction of APs with the R&R package.

7. Step 7: Impoverishment Risk Analysis

The relevance of the Risk and Reconstruction Model's (Cernea, 1997) tools has been examined in the specific context of compensation and assistance paid, as well as income restoration, in the case study projects.

D. Stakeholders in Highway Sector Land Acquisition and Resettlement

The key stakeholders in highway sector resettlement can be grouped under four categories i.e., APs, host population, NGOs, and project authorities (including line departments). The APs, host population and project authorities (excluding line departments) are primary stakeholders, NGOs and line departments are secondary stakeholders. Their respective roles are presented below:

1. Primary Stakeholders

a. Affected persons (APs)

APs have the following roles:

- (i) Participate in public meetings and identify alternatives to avoid or minimize displacement;
- (ii) Assist DPR consultants and NGOs in developing and choosing alternative options for relocation and income generation;
- (iii) Participate in census survey and meetings with host population;
- (iv) Provide inputs to entitlement provisions, thus assisting in preparation of the resettlement plan;

- (v) Participate in grievance redress as members of grievance redress cells (GRCs);
- (vi) Decide on relocation and management of common properties;
- (vii) Offer labor and other inputs in the project; and
- (viii) Act as members of the implementation committee.

b. Host population

The host population has the following roles:

- (i) Assist DPR consultants and NGOs in data collection and design;
- (ii) Provide inputs to site selection;
- (iii) Identify possible conflict areas with APs;
- (iv) Identify social and cultural facilities needed at resettlement sites;
- (v) Assist in identification and design inputs for income-generating schemes;
- (vi) Help develop consultation process between hosts and APs;
- (vii) Manage common property;
- (viii) Participate in local committees; and
- (ix) Assist APs in integration with hosts.

c. Project authorities

Project authorities have the following roles:

- (i) Establish a separate cell for social development;
- (ii) Give notification at various stages for land acquisition and joint measurement of land to be acquired along with the Revenue Department;
- (iii) Design and approve resettlement policy;
- (iv) Coordinate with line departments such as telephone, state electricity board, public health, engineering department, and forest department for shifting of utilities and cutting of trees;
- (v) Participate with NGOs in verification survey and categorization of APs;
- (vi) Participate in consultations with APs and host community;
- (vii) Design and distribute identity cards along with NGOs;

- (viii) Coordinate and facilitate relocation of DPs including design and construction of resettlement colony/vendor market, provision of basic amenities, distribution of plots/houses to residential and/or commercially DPs;
- (ix) Coordinate with NGOs in identifying land for relocation of CPRs;
- (x) Coordinate with civil construction contractor to relocate CPRs;
- (xi) Assure permission and liaison with line departments for provision of basic amenities in resettlement colonies, and in land acquisition and income restoration schemes;
- (xii) Coordinate with Revenue Department and NGOs for facilitating disbursement of compensation and R&R assistance;
- (xiii) Monitor physical and financial progress;
- (xiv) Approve micro plans;
- (xv) Participate in training programs for income restoration organized by NGOs; and
- (xvi) Consult with panchayat (local authority) and block office to facilitate inclusion of APs' names for poverty reduction schemes of the Government of India.

2. Secondary Stakeholders

The secondary stakeholders include line departments and NGOs.

a. Nongovernment organizations (NGOs)

NGOs have the following roles:

- (i) Develop rapport with APs and between APs and NHAI/Public Works Department;
- (ii) Verify APs;
- (iii) Consult with the community;
- (iv) Assess the level of skills and efficiency in pursuing economic activities, identify needs for training, and organize programs to improve efficiency and/or impart new skills;
- (v) Assist APs in receiving rehabilitation entitlements due;
- (vi) Motivate and guide APs for proper utilization of benefits under R&R policy provisions;
- (vii) Facilitate purchase of agricultural land in negotiating price and settling at a reasonable price, or expedite through Land Purchase Committee;

- (viii) Assist APs in obtaining benefits from the appropriate development programs;
 - (ix) Help APs in increasing their farm income through provision of irrigation facilities or improving farm practices;
 - (x) Ensure marketing of produce, particularly for those under self-employment activities;
 - (xi) Complete the consultation at the community level and provide support by describing the entitlements to entitled persons and assisting them in their choices;
 - (xii) Accompany and represent entitled persons at the GRC meeting;
 - (xiii) Assist entitled persons to take advantage of the existing government housing schemes and employment and training schemes selected for use during the project;
 - (xiv) Promote location-specific community-based organizations (CBOs) of APs to handle resettlement planning, implementation, and monitoring; and
 - (xv) Create awareness among APs of HIV/AIDS, trafficking of women and children, child labor, and health and hygiene.
- (v) Forest Department for cutting trees along the corridor and afforestation;
 - (vi) Education Department for providing teachers and other facilities in schools built in resettlement colonies;
 - (vii) Health Department for providing doctors and medicines in health facilities created in resettlement colonies;
 - (viii) National AIDS Control Organization/ State AIDS Control Society for providing information, education, and communication materials to NGOs for creating awareness of HIV/AIDS;
 - (ix) District Rural Development Agency/Khadi Village Industries Commission for training arrangements and providing benefits to APs under poverty reduction schemes; and
 - (x) Panchayat office/Block Development Office for inclusion of APs' names for poverty reduction schemes.

b. Line departments/Government agencies

The line departments that play important roles in resettlement are the:

- (i) Revenue Department, which has the most important role of land acquisition, e.g., paying compensation for land acquired (including properties thereon), and providing land for resettlement colonies/vendor markets and relocation of CPRs;
- (ii) Post and Telegraph for shifting telephone lines along the corridors and providing the same in resettlement colonies;
- (iii) State Electricity Board for moving electricity poles along the corridor and providing electricity in resettlement colonies;
- (iv) Public Health Engineering Department for relocation of drinking water facilities and laying of drainage facilities in resettlement colonies;

E. Organization of the Report

The report has six chapters including this introduction, which constitutes the current Chapter 1. The rest is organized as follows:

Chapter 2 reviews existing national laws, policies and guidelines and compares them with donor resettlement policies.

Chapter 3 describes the process for computing compensation and replacement cost, and suggests reasons for delays in payment of compensation and other assistance. It also highlights APs' feedback on compensation and resettlement assistance.

Chapter 4 identifies the critical issues in income restoration, outlines the methodology, and describes income restoration in highway projects, institutional arrangements, and a risk and reconstruction approach.

Chapter 5 analyzes gender issues as they relate to highway sector land acquisition and resettlement.

Chapter 6 summarizes the key issues and makes recommendations on land acquisition and income restoration.