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# Abbreviations

ADB	Asian Development Bank
AP	affected person
BPL	below poverty line
CBO	community-based organization
CIL	Coal India Limited
CPR	common property resource
CRRO	Contract Resettlement and Rehabilitation Officer
DPR	detailed project report
DP	displaced person
DRO	District Resettlement Officer
ESDU	Environment and Social Development Unit
GRC	grievance redress cell
GTRIP	Grand Trunk Road Improvement Program
HIV/AIDS	human immunodeficiency virus/acquired immunodeficiency syndrome
LAO	land acquisition officer
MOEF	Ministry of Environment and Forests
NGO	nongovernment organization
NHAI	National Highways Authority of India
NPRR	National Policy on Resettlement and Rehabilitation
NTPC	National Thermal Power Corporation
PIU	Project Implementation Unit
R&R	resettlement and rehabilitation
RETA	regional technical assistance
TNHP	Third National Highway Project
TOR	terms of reference
WTC	Western Transport Corridor

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# Executive Summary

**T**he Asian Development Bank (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 (1995).

The RETA seeks to understand the risks of impoverishment arising from involuntary resettlement by recommending improvements to resettlement management based on lessons learned from highway sector projects. To this end, two case studies were undertaken in India.

The existing legal framework for land acquisition and resettlement has been reviewed and compared with donor policies to identify the policy gaps.

Compensation at replacement value is more likely to be paid in projects which are financed or co-financed by financial institutions that have policy requirements for involuntary resettlement. Since "compensation at market value" is usually less than the replacement value, the difference is paid by the National Highways Authority of India (NHAI) as resettlement assistance. Survey results show that the replacement value of a property was approximately 2.5 times its market value. Recently, land has been acquired through direct negotiation with affected persons (APs) in a road sector project in Uttar Pradesh. The process took only 5 months. NHAI has started using this method for its Allahabad Bypass Project.

Currently compensation and other additional payments to APs are being made separately and there is a big time lapse between these payments. Procedural requirements to prepare micro plans (which contain complete details about APs in regard to their socioeconomic status, and compensation and assistance to which they are entitled) are the main cause of this delay.

Income restoration measures must be based on productive income-generating activities. Weak

planning and inadequate funding are responsible for poor outcomes in income restoration in the case study projects. The current procedure for socioeconomic surveys has to be improved to generate more specific data on the social and economic status of project-affected people, so that better planning can be done. APs should be involved in this process. Training of APs for new jobs has to be better planned to ensure that they secure sustainable employment. A majority of APs in the case studies were dissatisfied with the training they received.

Some useful lessons have been learned in relation to income restoration. Direct employment, rehabilitation grants, and support for self-employment have been adopted in other sectors with varying degrees of success, and there is recognition of the need to assist APs to reestablish themselves. The basis on which the various allowances and other payments were decided on these projects is not very clear, and in most instances does not appear to have much relationship with the actual needs of the APs. Focused efforts to assist affected women have proved effective. State government policies, to reserve employment for APs, are commendable. Providing cash grants to APs could have adverse impacts if there is no professional assistance to help them set up viable enterprises. If the productive potential of the project is used for income generation through group-based activity, the sustainability of the program will be better.

At headquarters, NHAI's environmental and social aspects are handled by the Environment and Social Development Unit, which is responsible for preparation and implementation of resettlement plans along with obtaining environmental clearances, and preparation and implementation of management plans. There are just three officials for this work. Given the skeleton staff, NHAI outsources the preparation and implementation of resettlement plans. NHAI staff members coordinate the activities.

At the field level, the project director is responsible for implementation and is assisted by a group of managers dealing primarily with technical issues. These staff members are rarely qualified or sufficiently experienced to implement resettlement, and they are extensively supported by nongovernment organizations (NGOs).

There are only a few NGOs implementing resettlement; they also need assistance to improve their capacity, especially in income restoration work. The income restoration component of resettlement should be separated from other work and assigned to a separate NGO with the necessary experience.

In order to capture the gender dimensions of displacement realities and carry out gender-sensitive planning and implementation, the livelihood, risk, and vulnerability analyses need to be carried out from this perspective.

Land acquisition under the National Highways Act, 1956, has not proceeded as fast as originally envisaged. The need to acquire additional land and the complexities of disbursement procedures are delaying payment of compensation to titleholders.

No laws clearly define the methodology to arrive at compensation at replacement value. It is proposed

that the productivity method should be used instead of the current system.

NHAI should hire an appropriate official right from the planning stage to prepare proper land acquisition plans from the beginning. In order to have accurate plans at the project preparation stage, detailed project report (DPR) consultants hired to prepare the project should include a land acquisition specialist.

NHAI policy should require disbursement of both compensation and all other assistance in one single installment.

The positive elements of the National Policy on Resettlement and Rehabilitation should be integrated with the Land Acquisition Act. "Replacement value" should be substituted for "market value" in the Act. Rules should be prepared under the Act to clearly set out the valuation procedure to determine replacement value.

The planning and implementation of income restoration should be pursued with greater vigor on the lines of the recommendations in this report.

Risk analysis should be included in resettlement planning since it is clear from the case studies that the risk of not restoring livelihoods of APs is real in highway projects.