



Evaluation Study

Involuntary Resettlement Safeguards Supplementary Appendixes

Operations Evaluation Department

Asian Development Bank

NOTES ON THE METHODOLOGY OF THE STUDY

A. Notes on the Organization of the Study

1. The special evaluation study (SES) originally covered the two social safeguard policies (Involuntary Resettlement [IR] and Indigenous Peoples [IP]) in an integrated fashion. The financial resources available for studies were \$300,000 (\$280,000 was re-allocated from the Operations Evaluation Department's (OED's) RETA-6246;¹ \$20,000 from TA-6240²). By November 2005, the Development Effectiveness Committee (DEC) requested the submission of the social safeguard study by end-June 2006. When it became clear in April 2006 that limited progress had been made with data collection for the IP Policy, the date was revised to September 2006, on the assumption that in the month of May, more information could be collected for the evaluation of the IP policy. Consequently the time for substantive investigations for the IR Policy was limited to the period February–May 2006; drafting, internal reviews, and finalization of the SES took another 4 months. Much of the field work was done in the period February to April. The Ministry of Finance of the People's Republic of China (PRC) provided concurrence with the mission and case studies in March, and asked the OED team to limit the disturbance of the executing agencies concerned to one week each.

2. The study was supervised by a senior evaluation specialist of OED, and assisted by a senior evaluation officer on part time basis. Eight consultants and three research analysts were engaged intermittently. Mr. Sam Thangaraj, engaged for 2 months, had worked for many years in the World Bank India Country Office, and had no prior involvement in Asian Development Bank (ADB) operations. He was used for comparisons of (i) the India and PRC country systems, and (ii) World Bank and ADB systems. Mr. Ping Li of the Rural Development Institute, engaged for one month, was used for one month to conduct safeguard investigations in PRC and some research into safeguard systems in the United States and the United Kingdom. Local consultants used for the project case studies sometimes had prior exposure to ADB policies through their involvement in either projects or TA, but they were not asked to provide case studies of projects in which they had been involved before. Two of these, hired on individual basis, were heads of nongovernment organizations (NGOs) in India, Dr. Aqueel Khan with the Association for Stimulating Know How (ASK), and Arup Khan with the Centre for Research and Capacity Building in Ghaziabad. They each completed three project case studies in India. Mr. Keliang Zhu of the Rural Development Institute and Mr. Zheng Baohua completed four project case studies in PRC. The National Research Center on Resettlement in Nanjing was selected directly, on the strength of its expertise in resettlement investigations, to conduct four more project case studies in PRC. Mr. Lito League, the consultant hired for the country case study of the Philippines was a former employee of the World Bank in the Philippines country office, had no prior involvement in ADB operations.

3. Sixteen project case studies were completed on IR in the period February–May 2006, 8 in PRC, 5 in India, and 3 in the Philippines. They are reflected in the main text in Table 5 of Chapter V. Three more sector project studies were done that informed the IR SES, 2 in Viet Nam,³ and 1 in India.⁴ These however also centrally concerned IP issues, and a decision was taken to exclude them for the IR procedural compliance assessment, as they did not have detailed resettlement survey findings. The case studies included resettlement operations in both

¹ ADB. 2005. *Selected Evaluation Studies for 2005*. Manila.

² ADB. 2005. *Special Evaluation Study on Urban Sector Strategy and Operations*. Manila.

³ Loan 1888-VIE: *Provincial Roads Improvement Sector Project*, and Loan 1855-VIE: *Second Red River Sector Project*.

⁴ Loan 2018-IND: *Rural Roads I (Sector) Project*.

completed and ongoing projects. Within the time available, the country systems in the four case study countries were taken into account. Research for the case studies included study of documents, interviews with project staff, affected persons (AP) focus group discussions, rapid field assessments, and limited field questionnaire surveys, totaling around 600 questionnaires. The latter was done to validate earlier findings in project completion reports and resettlement reports, and, for ongoing projects, to assess the quality of preparation and implementation, to discuss issues with executing agencies (EAs), and to obtain first hand data on results of the policies in projects. Lastly, some findings and recommendations of a recent desk study for the Regional and Sustainable Development Department (RSDD) conducted by a consultant on the same subject were taken into account.⁵

B. Notes on the EA Survey on Social and Environmental Safeguards

4. **Methodology.** The survey targeted a total of 189 active projects as of February 2006 with IR categories A (with full Resettlement Plan [RP]), B (with short RP), and TBD (to be determined), as initially classified by RSDD. The study took contact information from project analysts and officers from ADB headquarters and resident missions. The survey did not include projects for which no contact information was submitted as of April 2006. Table SAA1.1 shows the breakdown of projects targeted for the survey.

Table SAA1.1: Number of Loans with Resettlement Planning Open by February 2006

| | A | B | TBD | Not categorized ^a | Total |
|----------------------------|------------|-----------|-----------|------------------------------|------------|
| People's Republic of China | 34 | 2 | 4 | 0 | 40 |
| India | 11 | 3 | 6 | 1 | 21 |
| Philippines | 4 | 1 | 2 | 2 | 9 |
| Vietnam | 12 | 2 | 4 | 0 | 18 |
| Others | 40 | 27 | 34 | 0 | 101 |
| Total | 101 | 35 | 50 | 3 | 189 |

^a Loan numbers 1421/1422-PHI, 1473-PHI, and 2037-IND have no IR categorization but were still included due to information of the projects having some resettlement/indigenous peoples impact.

5. Some project officers requested to take out projects initially included in the list, because the project was relatively new and had no IR impact as yet. Also, some projects initially categorized under C or "no resettlement plan" but which might have resettlement impact upon implementation, were not included.

6. Due to lack of timely contact information received from project officers, only 136 or 72% of the target projects were sent questionnaires via email or fax. One hundred eighty-seven project offices (PO) were addressed, as some project officers provided contact information for more than one executing agency with PO. Many questionnaires sent by fax were coursed through ADB country offices as some numbers proved difficult to contact.

7. Almost all responses were from public sector projects. Of the two private sector projects sent questionnaires, only one responded. (More were contacted but project officers clarified that the projects were new or did not cover resettlement.)

⁵ Zaman, M. 2006. *Taking Stock: Ten Years of Involuntary Resettlement Experience in ADB Operations*. Draft. Manila: ADB.

8. For PRC and Viet Nam projects, two versions of the questionnaire were dispatched, one in Chinese/Vietnamese and one in English. This was done to minimize the language barrier. Officers from the respective country offices were asked to help out in the translations.

9. The survey period was from March until May 2006. Follow up notices via email and fax were also sent around mid-May. A total of 67 questionnaires have been received for the said period, of which 63 (or 46% of projects sent) were from different projects. The response profile is shown in Table SAA1.2.

Table SAA1.2: Total Number and Percentage of Projects and Questionnaires Sent

| | Total Projects | Projects Sent | % Sent | Pos ^a Sent | Questionnaires Received | % Received ^b | % Received ^c |
|-------------------------------------|-------------------|------------------|-----------|--------------------------|----------------------------|----------------------------|----------------------------|
| India | 21 | 9 | 43 | 9 | 5 | 24 | 56 |
| Philippines | 9 | 7 | 78 | 9 | 6 | 67 | 86 |
| China, People's Republic of | 40 | 30 | 75 | 39 | 17 | 43 | 57 |
| Viet Nam | 18 | 16 | 89 | 41 | 10 | 56 | 63 |
| Afghanistan | 4 | 1 | 25 | 1 | 1 | 25 | 100 |
| Bangladesh | 16 | 13 | 81 | 16 | 4 | 25 | 31 |
| Cambodia | 16 | 14 | 88 | 24 | 6 | 38 | 43 |
| Fiji Islands | 2 | 2 | 100 | 2 | 0 | 0 | 0 |
| Federated States of Micronesia | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Indonesia | 10 | 6 | 60 | 6 | 2 | 20 | 33 |
| Kyrgyz Republic | 2 | 1 | 50 | 1 | 1 | 50 | 100 |
| Lao People's Democratic Republic | 11 | 11 | 100 | 13 | 8 | 73 | 73 |
| Mongolia | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nepal | 10 | 8 | 80 | 8 | 2 | 20 | 25 |
| Pakistan | 8 | 4 | 50 | 4 | 2 | 25 | 50 |
| Papua New Guinea | 2 | 2 | 100 | 2 | 0 | 0 | 0 |
| Republic of Marshall Islands | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Samoa | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sri Lanka | 10 | 8 | 80 | 11 | 1 | 10 | 13 |
| Tajikistan | 3 | 2 | 67 | 2 | 2 | 67 | 100 |
| Thailand | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Uzbekistan | 2 | 2 | 100 | 1 | 0 | 0 | 0 |
| Total | 189 | 136 | 72 | 189 | 67 | 35 | 49 |

^a In some cases, there are more than one project office sent per project.

^b Percent of projects received out of total projects included in survey.

^c Percent of questionnaires returned from projects out of all projects sent.

10. The relatively low response rate of 49% may have been due to (i) the unavailability of some Project Directors over the period, or (ii) a change in leadership within the EA/project office.

11. Sixty-one completed questionnaires reflected experience with the Environment Policy, 47 with IR, and twenty four with the IP Policy (Table SAA1.3). The low response for the projects with experience in involuntary resettlement is unfortunate, as the rationale for the selection of

the project was their IR categorization as A, B, or TBD. Some POs may have understated their experience with IR and for others the TBD status may not have changed to an A or B status at the time of the survey.

Table SAA1.3: EA Survey Respondents Profile by Country

| | Environment | Involuntary Resettlement | Indigenous Peoples |
|----------------------------------|-------------|--------------------------|--------------------|
| Afghanistan | 1 | 1 | 0 |
| Bangladesh | 4 | 1 | 3 |
| Cambodia | 4 | 2 | 1 |
| India | 5 | 5 | 1 |
| Indonesia | 1 | 2 | 1 |
| Kyrgyz Republic | 1 | 0 | 0 |
| Lao People's Democratic Republic | 7 | 5 | 3 |
| Nepal | 2 | 1 | 0 |
| Pakistan | 2 | 1 | 1 |
| Philippines | 4 | 2 | 3 |
| People's Republic of China | 17 | 17 | 5 |
| Sri Lanka | 1 | 0 | 0 |
| Tajikistan | 2 | 1 | 1 |
| Viet Nam | 10 | 9 | 5 |
| Total | 61 | 47 | 24 |

12. Most of the questions required experience with the application of any or all of the three safeguard policies. Other questions, however, were perception questions and might not require actual experience. In the data processing, question no. 6 (stage of implementation of the safeguard/s plan) was used to filter the valid cases for the subsequent questions that required experience with the implementation of a safeguard plan. This means that only those projects were taken into account for each policy analysis that had actual experience with such policy.

13. As mentioned, valid responses on each of the three safeguard policies depended on the response to question 6: "Stage of implementation of (main/oldest) Environmental Plan, Land Acquisition/Resettlement Plan, and IP Plan." If the answer was "yes" then this meant a valid case for the count of responses on subsequent questions. This with exception of questions 7, 12, 13, 21, and 22 which were perception questions and for which all questionnaire responses were counted as valid.

C. Notes on the ADB Staff Survey on Social and Environmental Safeguards

14. **Methodology.** The survey targeted all ADB professional staff in infrastructure divisions in ADB headquarters, all staff of the Office of the General Counsel, and all operational staff (international and domestic) of all resident missions. The total number of staff eligible for the survey was around 600 staff.

15. The survey was administered through *ADB Today*, ADB's daily magazine which is issued as email to staff. Three times the notice was sent out, in the period of March to April 2006. The staff was asked to use the hyperlink to access the questionnaire and was not personally invited to respond. This may have accounted for the somewhat low response of only 61 filled out questionnaires.

16. The profile of the respondents is indicated in Table A1 in Appendix 13.

D. Notes on the Methodology of the Project Case Studies Undertaken

17. Consultants prepared and conducted the case studies with considerable freedom of organization, and with incorporation of questionnaire surveys that would address the following questions, if such surveys were deemed suitable for the particular case at hand:

- (i) what exactly did you lose (specify house, land, trees, crops, access to services or public lands, community, proximity to employment opportunities, etc.)?
- (ii) how much was the actual compensation received?
- (iii) how much was the compensation demanded?
- (iv) how many months after the request (or the initial offer) was it awarded?
- (v) was it awarded later than the project authorities announced it to be awarded?
- (vi) was the compensation sufficient to replace the things lost?
- (vii) were you treated well, with dignity?
- (viii) were there (sufficient) consultations with you or your community prior to the losses?
- (ix) was there somebody that you could complain to in case of problems?
- (x) was that person influential? (grievance redress mechanism)?
- (xi) how was the financial compensation, if any, invested?
- (xii) were you supposed to move/resettle your house?
- (xiii) were you supposed to move your business?
- (xiv) were you supposed to lose (part of) your land?
- (xv) if so were you supposed to get replacement land somewhere else?
- (xvi) are you working or living in the place where you were supposed to move to?
- (xvii) are you satisfied with what you got out of the process?
- (xviii) are you better off now in terms of income, assets, employment opportunities, access to services, access to public lands, access to a new community, proximity to employment opportunities, etc.?
- (xix) what is the status of the assets lost at this moment (used by the project/idle; not used by the project [yet])?

18. Depending on the nature of the project resettlement operation to be investigated and the experience of the consultant at hand, questionnaires were designed by consultants that focused on compensation, relocation assistance, and rehabilitation assistance, including satisfaction with the process.

19. Regarding the methodology of the individual cases studies, the following observations can be made.

1. Philippines Case Study

20. Four case studies were undertaken in the Philippines under a contract with one consultant, who was aided by four assistants. One project did not involve resettlement and was undertaken in the context of the IP Policy evaluation.

21. The four projects were (i) Pasig River Environmental Management and Rehabilitation Sector Development Program (PREMR), (ii) Sixth Road Project (SRP), (iii) Southern Philippines Irrigation Sector Project (SPISP), and (iv) the Cordillera Highland Agricultural and Resource Management Project (CHARM). PREMR and SRP required involuntary resettlement while CHARM had significant impact on indigenous peoples. SPISP has both IR and IP components.

22. The projects provided a wide range in terms of type of projects and location. PREMR is an environmental and urban development program. SRP is a transport infrastructure project while SPISP is an agriculture infrastructure project. CHARM is an agricultural project with small scale infrastructure sub-projects. One project is located in Metro Manila (PREMR); one is in Northern Luzon (CHARM) while another (SPISP) has sub-projects in the Visayas and Mindanao. The fourth project (SRP) covered all the three island groups of Luzon, Visayas and Mindanao. Though SRP road improvement projects were predominantly in rural areas, some road sections were in urban areas.

23. The Philippines case study was based on both secondary and primary data. Secondary data were derived from the review of ADB documents such as project preparatory TA documents and feasibility study reports; reports and recommendations of the President (RRPs); Resettlement Action Plans and Land Acquisition and RPs; IP Development Plan (IPDP); project processing and implementation files on IR and IP (including internal progress reviews, back to office reports of review missions, internal communications, project communications and EA files and documents); and related studies conducted by ADB, the Government and other multilateral and bilateral institutions.

24. The case study derived primary data from field surveys using (i) a survey questionnaire administered to 50 project APs each; and (ii) interviews with key informants such as officials and staff of EAs, local government officials, community leaders, NGOs, and religious leaders; (iii) focus group discussions held with representatives of project affected families/persons at the project sites. In the case of CHARM, the Focus Group Discussion was attended by representatives from different government agencies involved in the project and NGOs. Tribal elders were invited but were not able to attend.

25. Fifty project affected persons (PAPs) for each of the three projects (CHARM, PREMR and SRP) were surveyed using a questionnaire. The fifty were prorated among the PAPs based on number of project affected families (PAFs/PAPs) in sub-project sites or resettlement sites. For CHARM, the survey questionnaires were administered in five barangays in two provinces. The barangays were chosen based on the number of PAPs/PAFs from the barangays compared to the total number of PAFs/PAPs in the project. The number of respondents were then prorated among the different barangays. The number of respondents for PAREMAR were apportioned based on the percentage share of each resettlement site to the total number of relocates for the project. The fifty respondents for SRP were equally divided between the two resettlement sites of the project. The respondents from the three projects were chosen at random.

26. No primary survey was conducted for SPISP because the External Monitoring Survey was completed only a few months before this study. Instead, data from the External Monitoring Report was used to derive information which the questionnaire utilized in the other projects sought to acquire.

2. India Case Studies

27. Six projects were selected as case studies in India. Of the total six selected projects, three are from transport and communication sector, two are from urban development sector and one is from the power sector. Two consultants were enlisted to conduct the studies.

a. Consultant 1

28. Of the total three case study projects two were transport sector project (West Bengal Corridor Development Project [WBCDP] and Rural Roads Project –I – Chattisgarh State [RRP-I]) and one urban sector project (Kolkata Environment Improvement Project [KEIP] for the improvement of canal, sewerage, drainage, solid waste management, slum improvement etc.). Of the total 97,676 APs from 14 ongoing projects in India, these three selected case study projects represented 26.8% of the APs (Table III-4) as per ADB database. As per involuntary resettlement categorization, of the total 14 ongoing projects in India, 10, 1 and 3 are categorized as 'A' 'B' and 'C'. Of the total 10 'A' category projects, the study covers two projects of category 'A' and one project of category 'B'. The selected case study projects were approved during the period between 2000 and 2003. (Table III-5).

29. The study adopted a multi method approach. The study was preceded by a mission visit to the case study projects in February/March 2006. Followed by mission visit, extensive field visit and desk review of the case study projects was done. The desk review comprised a review of project documents, files, correspondences, progress reports, and data of EAs, IAs, consulting agencies, NGOs etc. In addition in-depth consultations, focus group discussions, individual interviews were done with officials of EAs/IAs, consulting agencies for design and supervision, civil construction contractors, NGOs involved in implementation, project affected families, officials of other line agencies like revenue department officials, Chairman/Councilor of municipalities, President and Members of Village panchayats, community leaders, President/Chairman/members of Chamber of Commerce, members of women groups in project area, former officials involved in project implementation and ADB officials and Country Director from India Resident Mission. The field-work for the case study projects was carried out between March/April and May 2006. Project level investigations combined both qualitative and quantitative data derived from surveys randomly selected project affected persons. As all the projects are ongoing, the households/APs were selected from the list of APs from the project file of EAs those who received compensation/ assistance or relocated in the resettlement site. As one of the case study projects was totally relocation based, some samples were also taken from the APs those who would be relocated immediately. These surveys used a cluster approach, with in-depth case studies of resettled families, and meetings with affected communities and stakeholders at project sites. Project specific sample surveys were conducted using a questionnaire dealing with all aspect of losses, compensation benefits and resettlement. The survey questionnaire contained both open-ended and closed questions (with fixed and alternative answers) to make comparison and generalization possible. Due to time constraint a fixed number of households were surveyed from each project. In the context representation of sample size, the cluster approach assured both the distribution and representativeness of the sample population. On average, 60 affected households were interviewed in each project.

30. The selected projects for case study only looked at involuntary resettlement associated with limited land acquisition and compensation payment, voluntary land donation, relocation of non title holder APs in resettlement site, payment of cash assistance to squatters in lieu of their losses and provisioned of cash assistance to APs as per their vulnerability.

b. Consultant 2

- (i) Loan No 1405-IND: Power Transmission Sector
- (ii) Loan No. 1647-IND: Rajasthan Urban Infrastructure Development
- (iii) Loan No. 1839-IND: Western Transport Sector

31. These three were selected for review in diverse sectors so as to categorize and document the key sector specific safeguard issues. They took into account the criterion of geographical diversity and diversity in the nature and profile of the EAs handling the respective projects so as to bring forth and flag the sector specific IR Policy issues, if any. The study maximized the use of both qualitative and quantitative information available. Field visits were undertaken to each of the three projects. Meetings were held with government officials (mainly district and revenue officials), project agency staff, affected persons, and relevant NGOs. A questionnaire survey was undertaken of 100 households in the three selected projects amongst the affected communities at the subproject level. A list of key socioeconomic impact indicators was developed in the form of a questionnaire for collection in the subproject location.

3. People's Republic of China Case Studies

32. Two groups of consultants were utilized for 8 project case studies in all: the National Research Center for Resettlement in Nanjing University, and the Seattle and Beijing based Rural Development Institute.

a. National Research Center for Resettlement

- (i) Loan 1626-PRC Guizhou-Shuibai Railway
- (ii) Loan 1691-PRC Southern Yunnan Road Development
- (iii) Loan 1835-PRC Yellow River Flood Management Sector
- (iv) Loan 1851-PRC Guanxi Roads Development

33. Methodology.

- (i) **Desk research and literature review.** (a) project preparatory TA documents and feasibility studies for the selected projects; (b) RRP; (c) RPs and IPDPs or Ethnic Minority Development Plans (EMDPs); (d) project processing and implementation files on IR and IP (including internal progress reviews, back-to-office reports (BTORs) of review missions and project completion reports); (e) internal and external resettlement monitoring and evaluation (M&E) reports, and EMDP M&E reports; (f) other reports and literature.
- (ii) **Meetings with key stakeholders.** During the field visits, meetings were undertaken with key stakeholder groups namely: (a) the officials from EA, different level government organizations, (b) affected village or community leaders and affected people which include women, minority, poor and other groups, and (c) relevant external monitors and design institutes.
- (iii) **Field visits and focus group discussions.** As part of the study, field visits to the Project site were undertaken to look into the Project.
- (iv) **Data collection.** Data collection was undertaken to evaluate the project impacts on APs and IPs particularly, from the point of view of: (a) changes in standard of living and quality of life; (b) changes in income and livelihood patterns and standards; (c) adequacy of consultative process adopted during Project preparation; (d) adequacy of grievance redress procedures; (e) effectiveness of information dissemination system and process; and (f) effectiveness of various relocation options. A questionnaire was developed (see below) covering household demography, socioeconomic information, employment and income data, loss of assets and replacement, relocation and resettlement, income restoration, community participation, and attitudes to resettlement

implementation. The survey questionnaire contained both open-ended and closed questions with multiple choice answers.

34. The questionnaire was one of several tools used in the investigation and data collection. A total of 179 households were interviewed from 24 to 30 March, 2006, using cluster sample survey approach. Rapid rural appraisal methods were also used to obtain feedback from the intended beneficiaries regarding various compensation benefits and income/livelihood restoration programs.

35. The investigations took one week of field work each, as permitted by the Ministry of Finance.

36. The **sampling** was done as follows:

Sampling Households

| | Yunnan | Guizhou | Henan ^a | Guangxi | Total |
|-------------------|-----------|-----------|--------------------|-----------|------------|
| Counties | 3 | 3 | 3 | 4 | 13 |
| Township/Town | 5 | 5 | 4 | 6 | 20 |
| Village | 8 | 5 | 4 | 19 | 36 |
| Households | 50 | 38 | 49 | 42 | 179 |

^a Yellow River project.

b. Rural Development Institute

- (i) Loan 1417-PRC: Fujian Mianhuatan Hydropower
- (ii) Loan 1544-PRC: Zhejiang-Shanxi Water Supply
- (iii) Loan 1636-PRC: Fuzhou Water Supply and Wastewater Treatment
- (iv) Loan 1692-PRC: Suzhou Creek Rehabilitation

37. Mr. Zhu Keliang from Rural Development Institute and Mr. Zheng Baohua from Yunnan Academy of Social Sciences conducted the fieldwork and research. The consultants' fieldwork schedule was as follows:

| Project | Fieldwork Time (days) | Interviewed APs | Interviewed officials |
|---|-----------------------|-----------------|-----------------------|
| Suzhou Creek Rehabilitation (Loan 1692) - Shanghai | Mar 21–24 | 8 | 19 |
| Shanxi Water Supply (Loan 1544) – Wenzhou, Zhejiang | Mar 29–Apr 4 | 25 | 28 |
| Mianhuatan Hydropower (Loan 1417) – Longyan, Fujian | Apr 5–11 | 19 | 23 |
| Fuzhou Water Supply (Loan 1636) – Fuzhou, Fujian | Apr 12 | 2 | 7 |
| Total | 18 \ | 54 | 77 |

38. The research consisted of two parts. The first part included participatory rapid appraisals of randomly-selected APs at their own homes without the presence of local officials. As such, the APs could respond to questions freely and truthfully without undue influence or pressure. The semi-structured interviews were based on a pre-determined questionnaire including mostly

open-ended questions that were conducive to unbiased responses. In this way, an interviewee became an active participant of the dialogue and often volunteers new information that was not addressed by the questionnaire. The consultants also observed local conditions and made use of secondary information such as compensation agreements and other relevant written records or photos.

39. The questionnaire covered the topics listed below:

- (i) Household's demographic information
- (ii) Pre-resettlement and post-resettlement jobs and income sources of all household members
- (iii) Pre-resettlement and post-resettlement land-holding
- (iv) Pre-resettlement post-resettlement housing
- (v) Knowledge of relevant laws and policies
- (vi) Monetary compensation and resettlement measures (amount, distribution, etc.)
- (vii) Non-monetary benefits or assistances (job training, loan, insurance, vulnerable groups, etc.)
- (viii) Pre-resettlement post-resettlement common property resources
- (ix) Existence of any written documentation regarding compensation and resettlement measures (if yes, an examination of such records)
- (x) Procedural issues regarding compensation and resettlement and disputes
- (xi) Overall satisfaction and assessment by APs

40. The second part of the research involved interviews of officials with first-hand knowledge of the projects. They represented responsible levels of government: prefecture or city, county or district, township or street, village or residential committee, as well as independent resettlement companies. The officials typically first offered a scripted briefing. The researchers then used a checklist of issues as basis for questions that were designed to help answer the following concerns:

- (i) Is there any effort in designing the project so that it impacts the smallest number of APs?
- (ii) How is the initial resettlement plan prepared?
- (iii) Is there any notable difference between the initial resettlement plan and the project completion report, and why?
- (iv) How the eligibility criteria of APs are decided?
- (v) How are compensation and resettlement standards determined? How is the principle of restoring original living standards of APs embodied?
- (vi) What roles do ADB policies, national laws/policies, provincial laws/rules, and local regulations each play in designing and carrying out the compensation and resettlement standards?
- (vii) How have APs participated in the decision-making process and how have their concerns been adequately addressed?
- (viii) How are grievances and disputes resolved?
- (ix) Are there any indigenous people, and are there any special measures for them?
- (x) How are vulnerable groups of APs identified and treated?
- (xi) Have female APs enjoyed the same benefits as males?
- (xii) Is there any technical assistance or support from ADB regarding resettlement?
- (xiii) How should ADB improve its resettlement policies and practices in PRC?

SQUATTERS AND SQUATTING SYNDICATES IN THE PHILIPPINES¹

1. In the Philippines, the number of squatter families has been estimated at over 1,255,000.² Taking into account the average household size in depressed settlements, this translates to 8.5–9 million persons living in slums and squatter colonies throughout the country, or over 10% of the total population. About 4.5–5 million persons or nearly 60% are estimated to be living in slums and squatter colonies in Metro Manila or half the metropolitan population. Thirty-four percent occupied national government lands and another 21% were located in so-called danger areas throughout the country. Twenty percent inhabited sites of national government projects such as railroad tracks, port areas, flood control facilities, road right-of-way, military camps and power transmission line right-of-way. Almost 300,000 squatter families (24% of total) occupied private properties, nearly half of which are located in Metro Manila.

2. An Asian Development Bank (ADB) study³ in 2002 computed that generally depressed settlements grew faster than the national and even metropolitan growth rates. Population growth in these areas are estimated at 4.4% annually, nearly double the rate for the metropolitan area. The average age of depressed settlements was 19.2 years with residents in some areas having stayed in the settlements for over two generations. Unemployment rates in depressed settlements were much higher than the metropolitan average of 13% with 40%–50% unemployment rates.

3. Squatting in the Philippines was brought about by an interplay of factors, such as rural-urban migration, distortions in the land and housing market, corruption and collusion of government agencies, weak economy, inadequate and unstable employment and income opportunities, ineffective law enforcement, and the operation of squatting syndicates. The squatting phenomenon started in the 1950s. Initially, informal land and housing was provided by informal settlers themselves, building extensions for rent to augment their incomes or selling rights to bigger land areas they originally occupied. As low income urban land and housing became scarcer, it became a highly commercialized and profitable venture. With demand rising faster than supply, more informal developers came in to fill the vacuum. Working in collusion with some national agency or local government officers, these informal developers turned into squatter syndicates and professional squatters identifying both public and privately owned areas for possible illegal invasions and subsequent conversion into squatter colonies or 'subdivisions'.⁴

4. Squatting syndicates took over public or private lands identified in cahoots with employees of the local assessors offices, Bureau of Land Management, Land Registration Authority and local Register of Deeds targeting tax delinquent owners or mall subdivisions which had no security of its own. In the case of public or government lands, very often syndicates were in partnership with national agency staff who partook of the profits from the informal housing development. The squatting syndicates subdivided these into small parcels; built makeshift housing units; and provided water and power connections illegally. Other syndicates used fake titles. Contacts within the Register of Deeds replaced the original titles illegally. When this was discovered by the real owners, the syndicates contested this in court. Many owners were left with no alternative but to settle for a compromise where the owners incurred tremendous expense to buy back properties they already owned. In established squatter colonies,

¹ Prepared by Jose Antonio League, staff consultant for the Philippines case studies.

² Housing and Urban Development Coordinating Council. 2000. *Data on Informal Settlements*. Manila.

³ ADB. 2002. *Metro Manila Urban Services for the Poor Project*. Manila.

⁴ The Manila Times: *Scams Fueling Squatting*, Oct. 2004, Manila.

syndicates convinced squatters that they held titles to the land and charged exorbitant fees to legitimize the squatters' occupation of the land. Syndicates issued Certificates of Occupancy and Deeds of Donation to squatter families. Rights to some of the parceled lots were sold for as high as P50,000 (\$1,000) and house rent ranged from P500–P1,500 (\$10–\$30) a month (footnote 4).

5. Most of these squatter communities have community organizations which are part of larger networks supported by nongovernment organizations (NGOs) which protect them against threats of demolition and eviction. The community organizations represent the community interest in their dialogue with local government officials particularly during elections. Squatter syndicates have been alleged to have formed their own NGOs, duly registered and accredited by agencies such as the Commission on Human Rights which legitimized their otherwise illegal operations.⁵

6. Although not all squatting is the result of squatting syndicates, they have been recognized as one of the major factors in the expansion and proliferation of squatter communities in Metro Manila and other urban areas across the country. The Urban Development and Squatting Act of 1992 includes a section which provides penal sanction against squatting syndicates and professional squatters. In 2003, a Task Force Against Squatting Syndicates⁶ was created by President Arroyo to address the unabated activities of squatter syndicates. Amado S. Bagatsing, vice chairman of the Housing Urban and Development Coordinating Council declared that squatter syndicates have become so brazen they invaded even the properties of prominent people such as the current Justice Secretary (Phase 8, North Fairview); a former senator (Tierra Pura Subdivision); and a respected journalist.⁷ The Task Force estimated that squatting syndicates reap billions of pesos in income annually, making it one of the most profitable illegal activities in the country.⁸

7. Data from the Presidential Task Force Against Squatting Syndicates show that there are more than 6,000 fake titles covering many squatter areas.⁹ The Presidential Task Force has identified several squatting syndicates of which three are considered the biggest and operating in several large squatter areas.

8. One of the most controversial cases of the operation of squatting syndicates is the occupation of a 65 hectare area inside the University of the Philippines campus in Quezon City by about 20,000 families. This occupation started in the 1970s when some employees were allowed to set up temporary houses at the southern fringe of the sprawling university campus. These soon turned into concrete structures which grew from one floor to two floors; and from 30 sq. m. shacks to 100 sq. m. two to three floor buildings. Migrants came in droves as the squatting syndicate managing the estate promised assured that the land would subsequently be given away by the government and the university administration. Rights were sold briskly. From a few makeshift houses, concrete buildings have mushroomed and metamorphosed into a large housing estate.

⁵ The Manila Times: *Scams Fueling Squatting*; Oct. 2004, Manila.

⁶ Government of the Philippines. 2002. Executive Order 153: *Instituting the National Drive to Suppress and Eradicate Professional Squatting and Squatting Syndicates amending Executive Order Nos. 178, series of 1999 and 129 series of 1993*. Manila.

⁷ Philippine Star. 2006. *Squatting Syndicate Charged*. July 13, 2006, Manila.

⁸ Cruz, Neal. 2003. "Don't Forget the Squatting Syndicates" (20 June 2003) and "Why Not an Anti Squatting Tsar" (June 24, 2003). Philippine Daily Inquirer. Manila.

⁹ The Manila Times: *Scams Fueling Squatting*; Oct 2004, Manila.

9. In 2003, the University was once again invaded by a squatting syndicate. This time the invading force occupied the Arboretum on the northern side of the campus. The Presidential Task Force Against Squatting Syndicates declared the occupation as illegal and the squatters the members of a syndicate. This stopped the syndicate in their tracks and they were promptly evicted from the area.

10. The activity of squatting syndicates is to some extent counteracted by those of NGOs and other organizations. While conditions in slums and squatter communities remain dire, numerous initiatives have been launched by NGOs, People's and Community Organizations, religious groups and civic organizations to enhance the conditions in these communities and improve the wellbeing of squatter and slum dwellers through the provision of basic services (water, sanitation, access roads, drainage, schools, health centers and day care centers) and access to income generation through training programs and job placement initiatives. NGOs such as the Urban Poor Colloquium (UPC); Partnership of Philippine Support Service Agencies (PHILSSA); National Congress of CMP Originators and Social Development Agencies for Low Income Housing; Urban Research Consortium (URC); Freedom to Build; Kahugpungan sa Mindanao (KAMI) and the Federation of Affected Families in the Pasig River banks (ULAP) are but a few of the NGOs which have initiated programs to alleviate conditions in slum and squatter communities. Gawad Kalinga, an arm of the Catholic group Couples for Christ has been implementing a program to provide livable housing for slum and squatter dwellers throughout the country.

11. Local governments (LGUs) have implemented exemplary projects to improve conditions of slums and squatter communities in their respective areas. San Fernando City in Northern Luzon has upgraded a seaside fisherfolk slum area by providing housing and services. Victorias City in the Visayas has developed several sites and services projects for the city's squatter communities, many of whom lived in the city cemetery. Victorias City borrowed from government financing institutions to purchase land and develop them into low-income subdivisions at low interest and long amortization period. Pagadian City in Mindanao developed a resettlement site for people living in danger areas such as coastal areas and riverbanks. Some of those displaced by the Sixth Road Project voluntarily relocated in the Nazareth Resettlement Site. In Metro Manila, Muntinlupa City initiated its own slum upgrading and sites and services projects with support from the ADB.

12. ADB has supported numerous national government and LGU projects aimed at improving conditions in slum and squatter communities throughout the country. These initiatives include Technical Assistance grants for the development of the STEP-UP program for Urban Poor in the Philippines; Relocation and Shelter for Vulnerable Slum Communities in Muntinlupa; On-Site Urban Upgrading for Vulnerable Communities of Payatas Project; and loan funded projects such as the Pasig River Environmental Management and Rehabilitation Project; the Development of Poor Urban Communities Project, aimed at improving conditions in poor communities outside of Metro Manila; and the Metro Manila Basic Services for the Poor Project.

13. Squatting and squatting syndicates are symptomatic of larger problems such as the poor state of the country's economy and the serious distortions in the urban land and housing market. These can only be abated if (i) interventions are undertaken to provide urban poor residents and squatter families with access to stable and sustained sources of income; and (ii) land and housing with access to employment centers is offered to poor families in urban areas.

14. The Community Mortgage Program (CMP) is in principle a good vehicle for providing squatter families access to credit to acquire the lands they occupy. However, it is mired in red tape and has to be overhauled to be effective. The CMP is mainly useful for private lands unless government declares the government lands presently occupied as disposable and hands it to squatter occupants. More promising options are LGU developed relocation sites, sold to squatter families as low cost subdivisions and funded by government financing institutions as long term (25 years) debt. This is the case in Victorias City; San Fernando City; and Pagadian City. To a certain extent, Makati has done it too with medium-rise tenement buildings. The other is national government-led relocation site like Pasig and Cabuyao (for south rail APs). They are promising because employment centers are still within reach from these areas and like the Calabarzon area, may develop into economic zones themselves. What is needed to trigger this is a viable financing plan; government commitment and will to do it; and AF support built on fully participative processes. ADB TA work done in Payatas and Muntinglupa demonstrates that both on-site and off-site development can work. The problem though is the amount of resources needed to prepare and implement the programs. Local and national governments may not have the inclination and the resources to conduct slum development on the scale required by the situation. The prospects for this in secondary cities in other parts of the country are much brighter because of availability of cheap land and the relatively lower numbers of squatters. The strategy should be that cities and municipalities would set aside land for low income housing. Would be squatters could be identified and enjoined to locate on this land. This would be complemented by strict enforcement on squatting in other areas. The local governments are encouraged to put up in partnership with NGOs and other small scale developers, rental housing at various rental levels; different sized serviced plots and house and lot packages which could cater to the full range of affordability levels of low income families.

**LIST OF INFRASTRUCTURE PROJECTS WITHOUT RESETTLEMENT PLANNING
(CATEGORY C), 1994–2005**

| No. | Year | Project Name | Country | Loan No. | Sector |
|------------|-------------|---|----------------|-----------------|---------------|
| 1 | 1994 | Yunnan-Simao Forestation and Sustainable Wood Utilization | PRC | 1304 | AG |
| 2 | 1994 | Third Punjab On-Farm Water Management | PAK | 1297 | AG |
| 3 | 1994 | Fisheries Infrastructure Improvement | MAL | 1307 | AG |
| 4 | 1994 | Pearl Industry Development | COO | 1309 | AG |
| 5 | 1994 | Irrigation Management Transfer | NEP | 1311 | AG |
| 6 | 1994 | Capacity Building in the Water Resources Sector | INO | 1339 | AG |
| 7 | 1994 | Second Integrated Irrigation Sector | INO | 1296 | AG |
| 8 | 1994 | Power Rehabilitation | CAM | 1345 | EN |
| 9 | 1994 | Theun-Hinboun (formerly listed as Nam Theun 1-2 Hydropower Project) | LAO | 1329 | EN |
| 10 | 1994 | KESC Sixth Power (Sector Loan) Project | PAK | 1314/1315 | EN |
| 11 | 1994 | Sumatra Power Transmission | INO | 1320 | EN |
| 12 | 1994 | Qitaihe Thermal Energy and Environmental Improvement | PRC | 1328 | EN |
| 13 | 1994 | Power Rehabilitation | MON | 1334 | EN |
| 14 | 1994 | Industrial Energy Efficiency | IND | 1343 | EN |
| 15 | 1994 | Social Action Program | PAK | 1301 | MS |
| 16 | 1994 | Rural Infrastructure Development | PHI | 1332 | MS |
| 17 | 1994 | Rabaul Emergency Program | PNG | 1330 | MS |
| 18 | 1994 | Special Assistance | KAZ | 1337 | MS |
| 19 | 1994 | Special Assistance | KGZ | 1342 | MS |
| 20 | 1994 | Third Road Improvement | SRI | 1312 | TC |
| 21 | 1994 | Telecommunications | MON | 1300 | TC |
| 22 | 1994 | Transport Infrastructure | TON | 1303 | TC |
| 23 | 1994 | West Lampung Emergency Reconstruction | INO | 1321 | TC |
| 24 | 1994 | Eastern Islands Roads (Sector) | INO | 1335 | TC |
| 25 | 1994 | Chonburi Water Supply | THA | 1326 | WS |
| 26 | 1995 | National Drainage Sector | PAK | 1413 | AG |
| 27 | 1995 | Second Irrigation Systems Improvement | PHI | 1365/1366 | AG |
| 28 | 1995 | Sulawesi Rainfed Agriculture Development | INO | 1351 | AG |
| 29 | 1995 | Coastal Greenbelt | BAN | 1353 | AG |
| 30 | 1995 | Hainan Agriculture and Natural Resources Development | PRC | 1372 | AG |
| 31 | 1995 | Farmer Managed Irrigation Systems | INO | 1378 | AG |
| 32 | 1995 | Command Area Development | BAN | 1399 | AG |
| 33 | 1995 | Plantation Reform | SRI | 1402 | AG |
| 34 | 1995 | Small-Scale Water Resources Development Sector | BAN | 1381 | AG |
| 35 | 1995 | Forestry Sector | PAK | 1403 | AG |
| 36 | 1995 | Power Transmission (Sector) | IND | 1405 | EN |
| 37 | 1995 | Gas Transmission & Distributn | INO | 1357 | EN |
| 38 | 1995 | Henan Power Project | PRC | 1400 | EN |
| 39 | 1995 | Ping Hu Oil & Gas Development | PRC | 1419 | EN |
| 40 | 1995 | Rural Electrification | BAN | 1356 | EN |
| 41 | 1995 | Power Distribution Rehabilitation | VIE | 1358 | EN |
| 42 | 1995 | Rural Electrification | BHU | 1375 | EN |
| 43 | 1995 | Second Power System Expansion (Sector) | SRI | 1414 | EN |
| 44 | 1995 | Secondary Towns Infrastructure Development II | BAN | 1376 | MS |
| 45 | 1995 | Rural Infrastructure Improvement | CAM | 1385 | MS |
| 46 | 1995 | Sumatra Urban Development | INO | 1383 | MS |
| 47 | 1995 | West Java Urban Development | INO | 1384 | MS |
| 48 | 1995 | Vientiane Integrated Urban Development | LAO | 1362 | MS |
| 49 | 1995 | Outer Islands Agricultural Development | TON | 1412 | MS |

| No. | Year | Project Name | Country | Loan No. | Sector |
|-----|------|--|---------|-----------|--------|
| 50 | 1995 | Karnataka Urban Infrastructure Development (Rep. of India) | IND | 1415 | MS |
| 51 | 1995 | Dahej Chemical Port Terminal | IND | | TC |
| 52 | 1995 | Second Yantai Port | PRC | 1411 | TC |
| 53 | 1995 | Second Regional Roads (Sector) | THA | 1391 | TC |
| 54 | 1995 | Saigon Port | VIE | 1354 | TC |
| 55 | 1995 | Roads Development | MON | 1364 | TC |
| 56 | 1995 | National Air Navigation Development | MON | 1370 | TC |
| 57 | 1995 | Second Telecommunications | PRC | 1382 | TC |
| 58 | 1995 | Rural Water Supply and Sanitation Sector Project | INO | 1352 | WS |
| 59 | 1995 | Punjab Rural Water Supply and Sanitation | PAK | 1349 | WS |
| 60 | 1995 | Samut Prakarn Wastewater Management | THA | 1410 | WS |
| 61 | 1995 | Umiray-Angat Transbasin | PHI | 1379 | WS |
| 62 | 1995 | Majuro Water Supply and Sanitation | RMI | 1389 | WS |
| 63 | 1996 | P.T. Banjarmasin Agrojaya Mandiri | INO | 7129 | AG |
| 64 | 1996 | Anhui Environment Improvement Project - Industry | PRC | 1491 | AG |
| 65 | 1996 | Cordillera Highland Agricultural Resource Management | PHI | 1421 | AG |
| 66 | 1996 | Second Irrigation Sector | NEP | 1437 | AG |
| 67 | 1996 | BAPEDAL Regional Network | INO | 1449 | AG |
| 68 | 1996 | Third Livestock Development | NEP | 1461 | AG |
| 69 | 1996 | North Central Province Rural Development | SRI | 1462 | AG |
| 70 | 1996 | Bahawalpur Rural Development | PAK | 1467 | AG |
| 71 | 1996 | Integrated Pest Management for Smallholder Estate Crops | INO | 1469 | AG |
| 72 | 1996 | Forestry Sector | BAN | 1486 | AG |
| 73 | 1996 | Community Managed Irrigation Sector | LAO | 1488 | AG |
| 74 | 1996 | Balagarh Thermal Power Project | IND | 7130 | EN |
| 75 | 1996 | Nam Leuk Hydropower Development | LAO | 1456 | EN |
| 76 | 1996 | Himal Power Limited | NEP | 7123/7124 | EN |
| 77 | 1996 | Fauji Kabirwala Private Sector Power Project | PAK | 7126 | EN |
| 78 | 1996 | Quezon Power Project | PHI | | EN |
| 79 | 1996 | Rural Electrification | THA | 1429 | EN |
| 80 | 1996 | Power and District Heating Rehabilitation | KGZ | 1443 | EN |
| 81 | 1996 | Renewable Energy Development | IND | 1465 | EN |
| 82 | 1996 | Energy Conservation | MON | 1492 | EN |
| 83 | 1996 | Tonga Power Development II | TON | 1497 | EN |
| 84 | 1996 | Urban Infrastructure Development | VAN | 1448 | MS |
| 85 | 1996 | Bukidnon Integrated Area Development | PHI | 1453 | MS |
| 86 | 1996 | Social Action Program (Sector) II | PAK | 1493 | MS |
| 87 | 1996 | Chongqing Expressway | PRC | 1470 | TC |
| 88 | 1996 | Road Rehabilitation | KGZ | 1444 | TC |
| 89 | 1996 | Road Rehabilitation | KAZ | 1455 | TC |
| 90 | 1996 | Third Rural Telecommunications (Sector) | THA | 1489 | TC |
| 91 | 1996 | Siem Reap Airport | CAM | 1503 | TC |
| 92 | 1996 | Phnom Penh Water Supply and Drainage Project | CAM | 1468 | WS |
| 93 | 1996 | Small Towns Water Supply Sector Project | PHI | 1472 | WS |
| 94 | 1996 | Rural Water Supply and Sanitation Sector | PHI | 1440/1441 | WS |
| 95 | 1996 | Water Supply and Sanitation | FSM | 1459 | WS |
| 96 | 1996 | Fourth Rural Water Supply and Sanitation Sector | NEP | 1464 | WS |
| 97 | 1997 | Forestry Sector | VIE | 1515 | AG |
| 98 | 1997 | Participatory Livestock Development | BAN | 1524 | AG |
| 99 | 1997 | Participatory Development of Agricultural Technology | INO | 1526 | AG |
| 100 | 1997 | Upper Watershed Management | SRI | 1545 | AG |
| 101 | 1997 | Second Perennial Crops | SRI | 1552 | AG |

| No. | Year | Project Name | Country | Loan No. | Sector |
|-----|------|---|---------|-----------|--------|
| 102 | 1997 | Fisheries Resource Management | PHI | 1562 | AG |
| 103 | 1997 | Coastal Community Development and Fisheries Resources Management | INO | 1570 | AG |
| 104 | 1997 | Second Flood Protection Sector | PAK | 1578 | AG |
| 105 | 1997 | Northern Sumatra Irrigated Agriculture Improvement Sector | INO | 1579 | AG |
| 106 | 1997 | Water Resources Management and Land Improvement | KAZ | 1592 | AG |
| 107 | 1997 | LPG Pipeline Project | IND | 1591 | EN |
| 108 | 1997 | Xi'an-Xianyang-Tongchuan Environment Improvement | PRC | 1543 | EN |
| 109 | 1997 | Central and Southern Viet Nam Power Distribution Project | VIE | 1585 | EN |
| 110 | 1997 | Third Power System Development | MLD | 1532 | EN |
| 111 | 1997 | Ulaanbaatar Heat Efficiency | MON | 1548 | EN |
| 112 | 1997 | Power Transmission and Distribution | LAO | 1558 | EN |
| 113 | 1997 | Third Rural Infrastructure Development | BAN | 1581 | MS |
| 114 | 1997 | Secondary Towns Urban Development | LAO | 1525 | MS |
| 115 | 1997 | Subic Bay Area Municipalities Infrastructure Improvement | PHI | 1599 | MS |
| 116 | 1997 | Dera Ghazi Khan Rural Development | PAK | 1531 | MS |
| 117 | 1997 | Rural Infrastructure Sector | VIE | 1564 | MS |
| 118 | 1997 | Cyclone Emergency Rehabilitation | COO | 1588 | MS |
| 119 | 1997 | Third Road Upgrading | FIJ | 1530 | TC |
| 120 | 1997 | Belawan, Balikpapan and Banjarmasin Ports | INO | 1559 | TC |
| 121 | 1997 | Eastern Islands Air Transport Development | INO | 1586 | TC |
| 122 | 1997 | Tribhuvan International Airport Development | NEP | 1512 | TC |
| 123 | 1997 | Third Airports Development (Southern Philippines) | PHI | 1536 | TC |
| 124 | 1997 | Southern Provincial Roads Improvement | SRI | 1567 | TC |
| 125 | 1997 | Mumbai and Chennai Ports - MBPT | IND | 1556 | TC |
| 126 | 1997 | Mumbai and Chennai Ports - CHPT | IND | 1557 | TC |
| 127 | 1997 | Xiamen Port | PRC | 1584 | TC |
| 128 | 1997 | Nong Khai-Udonthani Water Supply Project | THA | 1528 | WS |
| 129 | 1997 | Second Provincial Towns Water Supply and Sanitation | VIE | 1514 | WS |
| 130 | 1997 | Capacity Building of Water Supply Enterprises for Water Loss Reduction Sector | INO | 1527 | WS |
| 131 | 1997 | Korangi Wastewater Management | PAK | 1539 | WS |
| 132 | 1997 | Provincial Towns Basic Urban Services | MON | 1560 | WS |
| 133 | 1997 | Third Water Supply and Sanitation (Sector) | SRI | 1575 | WS |
| 134 | 1998 | Central Sulawesi Integrated Area Development and Conservation | INO | 1605 | AG |
| 135 | 1998 | Fisheries Development Project | PNG | 1656 | AG |
| 136 | 1998 | Community Groundwater Irrigation Sector | NEP | 1609 | AG |
| 137 | 1998 | Tea Development | SRI | 1639 | AG |
| 138 | 1998 | Sundarbans Biodiversity Conservation | BAN | 1643 | AG |
| 139 | 1998 | Smallholder Support Services Pilot Project | PNG | 1652 | AG |
| 140 | 1998 | Fujian Pacific Electric Company Limited | PRC | 7144 | EN |
| 141 | 1998 | Urban Infrastructure Improvement | BHU | 1625 | MS |
| 142 | 1998 | Clark Area Municipal Development | PHI | 1658 | MS |
| 143 | 1998 | Urban Development and Low Income Housing (Sector) Project | SRI | 1632 | MS |
| 144 | 1998 | Flood Emergency Rehabilitation | KGZ | 1633 | MS |
| 145 | 1998 | Metro Manila Air Quality Improvement (Investment Loan) | PHI | 1665 | MS |
| 146 | 1998 | Grameenphone Telecommunications Project | BAN | 7143/1603 | TC |
| 147 | 1998 | Second Road Rehabilitation | KGZ | 1630 | TC |
| 148 | 1998 | Railway Rehabilitation | UZB | 1631 | TC |
| 149 | 1998 | Road Rehabilitation | UZB | 1657 | TC |
| 150 | 1998 | Samut Prakarn Wastewater Management (Supplementary) | THA | 1646 | WS |
| 151 | 1998 | Sanitation, Public Health and Environment Improvement | KIR | 1648 | WS |
| 152 | 1999 | Agriculture Area Development | KGZ | 1726 | AG |

| No. | Year | Project Name | Country | Loan No. | Sector |
|-----|------|--|---------|-----------|--------|
| 153 | 1999 | Punjab Farmer Managed Irrigation Project | PAK | 1679 | ANR |
| 154 | 1999 | Coastal Resource Management | SRI | 1716 | ANR |
| 155 | 1999 | Sustainable Rural Electrification | BHU | 1712 | EN |
| 156 | 1999 | Shifting Cultivation Stabilization | LAO | 1688 | MS |
| 157 | 1999 | Regional Development | MLD | 1695 | MS |
| 158 | 1999 | Malakand Rural Development | PAK | 1672 | MS |
| 159 | 1999 | Ebeye Health and Infrastructure | RMI | 1694 | MS |
| 160 | 1999 | Social Sector Rehabilitation | TAJ | 1705 | MS |
| 161 | 1999 | Flood Emergency Rehabilitation | TAJ | 1714 | MS |
| 162 | 1999 | Cyclone Emergency Rehabilitation | VAN | 1684 | MS |
| 163 | 1999 | Second Roads Development | MON | 1700 | TC |
| 164 | 1999 | Philippine International Air Terminals Co., Inc. (PIATCO) | PHI | 7155 | TC |
| 165 | 1999 | Road Upgrading and Maintenance | PNG | 1709 | TC |
| 166 | 1999 | South Asia Gateway Terminals (PTE) Ltd. for the Colombo Port | SRI | 7153 | TC |
| 167 | 1999 | Water Supply and Sanitation Sector | LAO | 1710 | WS |
| 168 | 1999 | Maynilad Water Services Incorporated (MAYNILAD) | PHI | 7154 | WS |
| 169 | 2000 | Grains Sector Development Program (Project) | PHI | 1740 | ANR |
| 170 | 2000 | Forest Resources Management Sector | SRI | 1744 | ANR |
| 171 | 2000 | Protected Area Management and Wildlife Conservation | SRI | 1767 | ANR |
| 172 | 2000 | Crop Diversification | NEP | 1778 | ANR |
| 173 | 2000 | Decentralized Irrigation Development and Management Sector | LAO | 1788 | ANR |
| 174 | 2000 | Agriculture Sector Development Program (Project) | MON | 1822 | ANR |
| 175 | 2000 | Power Transmission Improvement (Sector) Loan | IND | 1764 | EN |
| 176 | 2000 | AES Kelanitissa Power Project | SRI | 7167 | EN |
| 177 | 2000 | Power Rehabilitation | TAJ | 1817 | EN |
| 178 | 2000 | Wind Power Development | PRC | 1818 | EN |
| 179 | 2000 | MEGHNAGHAT POWER PROJECT | BAN | 7165/1793 | EN |
| 180 | 2000 | Community-Based Infrastructure Services Sector | KGZ | 1742 | MS |
| 181 | 2000 | Infrastructure for Rural Productivity Enhancement Sector Project | PHI | 1772 | MS |
| 182 | 2000 | Community Empowerment for Rural Development | INO | 1765 | MS |
| 183 | 2000 | Chittagong Hill Tracts Rural Development | BAN | 1771 | MS |
| 184 | 2000 | North-West Frontier Province Barani Area Development Phase II | PAK | 1787 | MS |
| 185 | 2000 | Post-Conflict Emergency Rehabilitation | SOL | 1823 | MS |
| 186 | 2000 | Community Empowerment for Rural Development | INO | 1766 | MS |
| 187 | 2000 | Almaty-Bishkek Regional Road Rehabilitation | KAZ | 1774 | TC |
| 188 | 2000 | North Luzon Expressway Rehabilitation And Expansion | PHI | 7162 | TC |
| 189 | 2000 | Rehabilitation of the Maritime Navigation Aids System | PNG | 1754 | TC |
| 190 | 2000 | Road Rehabilitation | TAJ | 1819 | TC |
| 191 | 2000 | Road Improvement | BHU | 1763 | TC |
| 192 | 2000 | Railway Modernization | UZB | 1773 | TC |
| 193 | 2000 | Road Rehabilitation (Sector) | INO | 1798 | TC |
| 194 | 2000 | Provincial Towns Water Supply and Sanitation | PNG | 1812 | WS |
| 195 | 2001 | Ak Altin Agricultural Development | UZB | 1833 | ANR |
| 196 | 2001 | Power Sector Improvement | SAM | 1886 | EN |
| 197 | 2001 | Outer Islands Electrification (Sector) | MLD | 1887 | EN |
| 198 | 2001 | Southern Province Rural Economic Advancement | SRI | 1849 | MS |
| 199 | 2001 | North-West Frontier Province Urban Development Sector | PAK | 1854 | MS |
| 200 | 2001 | Central Region Livelihood Improvement | VIE | 1883 | MS |
| 201 | 2001 | Third Road Rehabilitation | KGZ | 1853 | TC |
| 202 | 2001 | Information Technology Development | MLD | 1882 | TC |
| 203 | 2001 | Waste Management Project | COO | 1832 | WS |
| 204 | 2001 | Urban Water Supply | UZB | 1842 | WS |

| No. | Year | Project Name | Country | Loan No. | Sector |
|-----|------|--|---------|------------|--------|
| 205 | 2002 | Mekong Energy Company Limited (Phu My 2.2 Power) | VIE | 7176 | EN |
| 206 | 2003 | Flood Mitigation | AZE | 2068 | ANR |
| 207 | 2003 | Amu Zang Irrigation Rehabilitation Project | UZB | 2069 | ANR |
| 208 | 2003 | Rural Electrification Network Expansion | BHU | 2009 | EN |
| 209 | 2003 | Dushanbe-Kyrgyz Border Road Rehabilitation Project (Phase I) | TAJ | 2062 | TC |
| 210 | 2003 | Rural Area Water Supply and Sanitation Sector | KAZ | 2006 | WS |
| 211 | 2004 | Sustainable Livelihood in Barani Areas Project | PAK | 2134 | AG |
| 212 | 2004 | Andkhoy-Qaisar Road Project | AFG | 2140 | TC |
| 213 | 2004 | Roshan Cellular Telecommunications | AFG | 7202 | TC |
| 214 | 2004 | Grameen Phone Telecommunications Expansion | BAN | 7194 | TC |
| 215 | 2004 | Southern Transport Corridor Road Rehabilitation Project | KGZ | 2106 | TC |
| 216 | 2004 | Regional Road Development Project | MON | 2087 | TC |
| 217 | 2004 | Urban Water Supply and Sanitation | AZE | 2119/2120 | WS |
| 218 | 2005 | New Bong Escape Hydropower Project | PAK | 2198/7222/ | EN |
| 219 | 2005 | Cyclone Emergency Assistance Project | COO | 2174 | MS |
| 220 | 2005 | Rural Infrastructure Support Project | INO | 2221 | MS |
| 221 | 2005 | Road Rehabilitation-2 Project | INO | 2184 | TC |
| 222 | 2005 | Regional Development Project, Phase II | MLD | 2170 | WS |

AFG = Afghanistan, ANR = agriculture and natural resources, AZE = Azerbaijan, BAN = Bangladesh, BHU = Bhutan, CAM = Cambodia, EN = energy, FIJ= Fiji Islands, FSM = Federated States of Micronesia, IND = India, INO = Indonesia, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, KIR = Kiribati, LAO = Lao People's Democratic Republic, MAL = Malaysia, MLD = Maldives, MON = Mongolia, MS = multisector, NEP = Nepal, PAK = Pakistan, PHI = Philippines, PNG = Papua New Guinea, PRC = People's Republic of China, REG = Regional, RMI = Republic of Marshall Islands, SAM = Samoa, SOL = Solomon Island, SRI = Sri Lanka, TAJ = Tajikistan, THA = Thailand, TC = transport and communications, TON = Tonga, UZB = Uzbekistan, VAN = Vanuatu, VIE = Viet Nam, WS = water supply and sanitation.

Note: List excludes all non-infrastructure sectors (Education, Finance, Law, Economic Management and Public Policy, Health, Nutrition and Social Protection, and Industry and Trade), program loans, TA loans, credit lines, and (for 2000–2005) other projects appearing to have little or no civil works as per their Report and Recommendation to the President.

Sources: Regional and Sustainable Development Department Database, and Project Coordination and Procurement Division (COPP) List of Loans, and Reports and Recommendations of the President.

**SUMMARY OF FINDINGS OF THE REVIEW OF ONGOING PROJECTS
AS PER PROJECT PERFORMANCE REPORTS (PPRs) IN FOUR COUNTRIES**

| | Number | % of Total |
|--|---------|---------------|
| Total number of ongoing projects reviewed | 68 | 100.0 |
| Number of PPRs with updates on resettlement implementation | 52 | 76.4 |
| Total number of APs (at appraisal) | 736,815 | 100.0 |
| Total number of APs with resettlement | 236,646 | 32.1 |
| Total number of APs without resettlement | 500,169 | 67.9 |
| Total number of APs (per PPR update) | 51,148 | 100.0 |
| Total number of APs with resettlement | 51,148 | 100.0 |
| Total number of APs without resettlement | NA | 0.0 |
| Status of compliance to Social Covenants | 345 | 100.0 |
| Complied with | 73 | 21.2 |
| Partially complied with | 8 | 2.3 |
| Ongoing (being complied with) | 203 | 58.8 |
| Did not comply | - | 0.0 |
| Not yet due | 55 | 15.9 |
| Status not specified | 6 | 1.7 |
| Current Overall Rating of Compliance to Social Covenants | 68 | 100.0 |
| Highly Satisfactory | - | 0.0 |
| Satisfactory | 62 | 91.2 |
| Partly Satisfactory | 3 | 4.4 |
| Unsatisfactory | - | 0.0 |
| No Rating/Not yet due | 3 | 4.4 |
| Number of Projects that mentioned changes in RP | 21 | 30.8 |
| Reasons mentioned for changes in RP | | |
| Revisions in project design | 4 | 5.9 |
| Results of feedback from APs | 3 | 4.4 |
| Results of measurement survey | 8 | 11.7 |
| Others | 4 | 5.9 |
| Not specified | 2 | 2.9 |

AP = affected person, NA = not available, RP = resettlement plan.

Source: Sixty-eight PPRs issued as of January 31, 2006 for projects in the People's Republic of China, India, Philippines, and Viet Nam, approved from 1994 onwards.

INVOLUNTARY RESETTLEMENT-RELATED MISSIONS CONDUCTED IN 2005

1. The following is an analysis of missions¹ conducted in 2005 by the Asian Development Bank's (ADB) Social Development and Resettlement Specialists from Headquarters and Resident Missions.

2. Mission types were classified according to the following Loan (and technical assistance [TA]) stages:

- (i) Planning/Assessment includes: CSP Mission, Sector Study, Country Contact/ Consultation, Regional/Sub-regional Consultation, Regional/Sub-regional Coop Meeting, and Tsunami Related Mission
- (ii) Loan Preparation includes: Loan Fact-Finding, Loan Pre-Appraisal, Loan Appraisal, and Loan Negotiations
- (iii) Loan Administration includes: Loan Inception, Project-specific Contact/ Consultation, Special Loan Administration, Loan Review, Midterm Project Review, Other Grants Project Administration, and Inter-Agency Consultation/Coordination
- (iv) TA Admin/Preparation includes: TA Reconnaissance, TA Fact-finding, TA Inception, TA Review, and Special TA Administration
- (v) Others include: PCR, Regional Training Program, Conference/Seminars/Meetings, and Information/Public Relations.

3. The total number of resettlement-related missions conducted by ADB professional staff for 2005 is 161, 150 of these from regional departments including Resident Missions and only 11 from RSDD. Twenty percent of these were for Loan Preparation while a slightly higher number, or 27%, were for Loan Administration. The rest were for TA Preparation/Administration and other activities such as PCR, CSP, Sector Study, and Conferences/Seminars.

**Table SAE1.1: ADB Resettlement-Related Mission in 2005:
By Type of Department and Mission Type**

| | Planning/ Assessment | Loan Preparation | Loan Administration | TA Prep/ Admin | Others | Total |
|----------------------|-------------------------|---------------------|------------------------|-------------------|----------|------------|
| Regional Departments | 12 | 31 | 20 | 49 | 5 | 117 |
| Resident Missions | 1 | 2 | 22 | 8 | 0 | 33 |
| RSDD | 2 | 0 | 2 | 4 | 3 | 11 |
| Total | 15 | 33 | 44 | 61 | 8 | 161 |

4. The missions conducted for Loan Preparation were spread out to more countries (12 visited) compared to only 9 countries visited for Loan Administration. This was probably due to the number of Loan Review missions spent in Lao People's Democratic Republic, where close to 40% of the missions for Loan Administration were spent.

¹ Mission details from Budget Control and Monitoring System.

**Table SAE1.2: ADB Resettlement-related Mission in 2005:
By Countries Visited and Mission Type**

| | Planning/ Assessment | Loan Preparation | Loan Administration | TA Prep/ Admin | Others | Total |
|----------------------------|-------------------------|---------------------|------------------------|-------------------|----------|------------|
| People's Republic of China | 1 | 12 | 4 | 13 | 3 | 33 |
| Laos | 1 | 1 | 19 | 6 | 0 | 27 |
| Cambodia | 1 | 2 | 3 | 10 | 0 | 16 |
| India | 2 | 4 | 5 | 3 | 1 | 15 |
| Indonesia | 3 | 1 | 3 | 8 | 0 | 15 |
| Vietnam | 2 | 2 | 3 | 7 | 0 | 14 |
| Thailand | 2 | 0 | 3 | 4 | 2 | 11 |
| Sri Lanka | 1 | 4 | 3 | 1 | 0 | 9 |
| Pakistan | 0 | 2 | 0 | 4 | 0 | 6 |
| Azerbaijan | 0 | 2 | 0 | 1 | 0 | 3 |
| Philippines | 1 | 0 | 0 | 0 | 2 | 3 |
| Tajikistan | 0 | 0 | 0 | 3 | 0 | 3 |
| Afghanistan | 0 | 1 | 0 | 0 | 0 | 1 |
| Bangladesh | 0 | 1 | 0 | 0 | 0 | 1 |
| Bhutan | 0 | 0 | 0 | 1 | 0 | 1 |
| Maldives | 1 | 0 | 0 | 0 | 0 | 1 |
| Nepal | 0 | 1 | 0 | 0 | 0 | 1 |
| United States of America | 0 | 0 | 1 | 0 | 0 | 1 |
| Total | 15 | 33 | 44 | 61 | 8 | 161 |

Note: Mission to USA was for Inter-Agency Consultation.

5. On the average, there are more days spent for Loan Preparation than Loan Administration. About 20% of all resettlement-related missions were spent on China and around 17% in Laos. For China, however, there were more missions for Loan Preparation while for Lao People's Democratic Republic, there were more for Loan Administration. Aside from the two, other countries with most visits for such missions were Cambodia, India, Indonesia, Viet Nam, and Thailand.

Table SAE1.3: Number of Missions, Visits, and Days Spent

| | Overall | Loan Preparation | Loan Administration |
|-----------------------------|---------|------------------|---------------------|
| Number of Missions | 117 | 31 | 38 |
| Number of Visits | 161 | 33 | 44 |
| Total No. of Days | 819 | 240 | 187 |
| Average No. of Mission Days | 7 | 8 | 5 |

Note: There are several visits in one mission.

6. Majority, or 73% of the total number of missions, was done by Social Development and Resettlement Specialists from the Regional Departments. Mission types conducted were mostly for TA Review and Loan Fact-Finding.

Table SAE1.4: Number of Missions Conducted by Regional Departments and RSDD

| | RD | RM | RSDD | Total |
|---------------------------------------|------------|-----------|-------------|--------------|
| TA Review | 27 | 4 | 4 | 35 |
| Loan Fact-Finding | 20 | 1 | 0 | 21 |
| Loan Review | 3 | 12 | 0 | 15 |
| Loan Appraisal | 9 | 1 | 0 | 10 |
| TA Fact-Finding | 10 | 0 | 0 | 10 |
| TA Inception | 7 | 3 | 0 | 10 |
| Project Specific Contact/Consult | 2 | 6 | 0 | 8 |
| Other Grants Project Administration | 6 | 1 | 0 | 7 |
| Special Loan Administration | 5 | 1 | 0 | 6 |
| Country Contact/ Consultation | 5 | 0 | 0 | 5 |
| TA Reconnaissance | 5 | 0 | 0 | 5 |
| Loan Inception | 2 | 2 | 0 | 4 |
| Conference, Seminars, and Meetings | 2 | 0 | 2 | 4 |
| Country Strategy and Program | 3 | 0 | 0 | 3 |
| Inter-Agency Consultation | 1 | 0 | 2 | 3 |
| Tsunami Related Mission | 3 | 0 | 0 | 3 |
| Sector Study | 0 | 0 | 2 | 2 |
| Project Completion Report | 2 | 0 | 0 | 2 |
| Loan Pre-Appraisal | 1 | 0 | 0 | 1 |
| Loan Negotiations | 1 | 0 | 0 | 1 |
| Midterm Project Review | 1 | 0 | 0 | 1 |
| Special TA Administration | 0 | 1 | 0 | 1 |
| Regional Training Program | 1 | 0 | 0 | 1 |
| Information, Public Relations | 0 | 0 | 1 | 1 |
| Regional/Sub-regional Contact/Consult | 1 | 0 | 0 | 1 |
| Regional/Sub-regional Coop Meeting | 0 | 1 | 0 | 1 |
| Total | 117 | 33 | 11 | 161 |

COSTS OF RESETTLEMENT FOR EIGHT COMPLETED PROJECTS USED AS CASE STUDIES

| Loan No. | Title | Affected Persons | | | | | |
|----------|--|------------------|------------------|------------|----------------|------------|----------------|
| | | Appraisal | | Completion | | % Change | |
| | | Total AP's | For Resettlement | Total AP's | Relocated AP's | Total AP's | Relocated AP's |
| 1417 | Fujian Mianhuatan Hydropower | 41,054 | 35,947 | 39,393 | 36,913 | -4.0% | 2.7% |
| 1544 | Zhejiang-Shanxi Water | 36,888 | 36,888 | 37,199 | 37,199 | 0.8% | 0.8% |
| 1626 | Guizhou-Shuibai Railway | 2,466 | 1,469 | 29,653 | 4,364 | 1102.5% | 197.1% |
| 1636 | Fuzhou Water Supply and Wastewater Treatment | 514 | 164 | 521 | 87 | 1.4% | -47.0% |
| 1691 | Southern Yunnan Road | 5,376 | 1,434 | 21,329 | 2,029 | 296.7% | 41.5% |
| 1692 | Suzhou Creek Rehabilitation | 17,552 | 7,699 | 22,256 | 19,085 | 26.8% | 147.9% |
| 1851 | Guangxi Roads Development ² | - | 1,407 | - | - | - | - |
| Total | | 103,850 | 85,008 | 150,350.5 | 99,676.9 | 44.8% | 17.3% |
| Average | | 14,836 | 12,144 | 21,479 | 14,240 | | |

| Loan No. | Title | Costs | | | | | | | LAR Costs per AP ¹ (\$) | | |
|----------|--|------------------|------------|---------------------------|------------|---|------------|-----------------------|------------------------------------|------------|----------|
| | | LAR Costs (\$ M) | | Total Project Costs (\$M) | | % Share of LAR Costs to Total Project Costs | | % Change in LAR Costs | LAR Costs per AP ¹ (\$) | | % Change |
| | | Appraisal | Completion | Appraisal | Completion | Appraisal | Completion | | Appraisal | Completion | |
| 1417 | Fujian Mianhuatan Hydropower | 141.5 | 151.3 | 721.0 | 437.6 | 19.6% | 34.6% | 6.9% | 3,447 | 3,686 | 6.9% |
| 1544 | Zhejiang-Shanxi Water | 117.5 | 137.6 | 518.0 | 437.3 | 22.7% | 31.5% | 17.1% | 3,186 | 3,730 | 17.1% |
| 1626 | Guizhou-Shuibai Railway | 4.4 | 8.7 | 381.0 | 392.6 | 1.2% | 2.2% | 97.7% | 1,784 | 3,528 | 97.7% |
| 1636 | Fuzhou WSSWM | 11.2 | 16.0 | 192.2 | 157.7 | 5.8% | 10.1% | 42.4% | 21,790 | 31,031 | 42.4% |
| 1691 | Southern Yunnan Road | 22.0 | 44.0 | 770.3 | 985.5 | 2.9% | 4.5% | 100.0% | 4,092 | 8,185 | 100.0% |
| 1692 | Suzhou Creek Rehabilitation | 214.5 | 333.7 | 875.8 | 841.3 | 24.5% | 39.7% | 55.6% | 12,221 | 19,012 | 55.6% |
| 1851 | Guangxi Roads Development ² | - | - | - | - | 0.0% | - | - | - | - | - |
| Total | | 511.1 | 691.3 | 3,458.3 | 3,252.0 | 14.8% | 21.3% | 35.2% | 46,520.4 | 69,171.3 | 48.7% |
| Average | | 73.0 | 98.8 | 494.0 | 464.6 | | | | 6,646 | 9,882 | |

WSSWM= Water Supply and Wastewater Treatment

¹ LAR costs per Affected Person (AP) is derived by dividing the LAR costs by the total APs.

² No PCRs.

Sources: Regional and Sustainable Development Department Involuntary Resettlement Database; various reports and recommendations of the President/Resettlement Plans/project completion reports; loans, TA, grants and equity approvals database.

FINDINGS OF A DESK STUDY CONDUCTED FOR THE SAFEGUARD POLICY UPDATE

1. In preparation of the Safeguard Policy Update,¹ the internal desk study prepared by Mohammed Zaman for the Environment and Social Safeguard Division has already been referred to. The study was based on a review of 15 ongoing and completed projects with significant resettlement. Six of the projects were selected also for field study in the present special evaluation study (SES).² The author's main conclusions are of special interest as he was the main consultant used for the Operations Evaluation Department's (OED) earlier evaluation of the policy impact of involuntary resettlement in the year 2000. The main finding of the desk review is that the resettlement processes and outcomes are almost uniformly unsatisfactory, which is at odds with the much more positive assessments made by most project completion reports (PCRs) and project performance evaluation reports studied for this SES in the paragraphs above, and the assessments made by this study regarding the project cases selected. For this reason the findings are reflected at some length in the Table SAG1 below:

**Table SAG1: Summary of Key Findings of Zaman's Desk Study of 15 Projects
With Significant Resettlement**

| Issues | Key Findings |
|---|---|
| Impacts and Risk Assessment for Resettlement Planning | 1. A thorough assessment of risks involving land acquisition and displacement, particularly impacts on livelihoods and gender, was lacking in many cases. 2. Sharp rise in the number of APs during project implementation due to inadequate impact assessment and undercount at PPTA stage. 3. Land acquisition and resettlement impacts at implementation are almost always higher in terms of number of APs—often by many times—than estimated at project preparation. |
| Eligibility and Payments of Compensation | 4. The eligibility is generally well defined in the entitlement matrixes of the RPs; however, payments as per eligibility were found unsatisfactory. 5. APs were not fully paid their compensation prior to displacement as required by national laws and loan assurances; most payments were processed during project construction work. 6. The valuation was inadequate; rates applied were lower than replacement value of the assets acquired. |
| Relocation and Resettlement Benefits | 7. APs largely preferred "self-relocation" as their choice 8. The quality of housing and social infrastructures at resettlement sites were in general much superior compared to the situation before displacement. As a result, the quality of life improved significantly in these terms. Enhanced quality of housing was also reported in case of self-relocated households. 9. APs without titles such as landless and squatter/informal settlers particularly benefited from house plots in the resettlement sites and other related assistance provided to them. |

¹ ADB. 2005. *Safeguard Policy Update. A Discussion Note*. Manila. Available: <http://www.adb.org/Documents/Policies/Safeguards/discussion-note.pdf>

² These were the following loans: Loan 1691-PRC: Southern Yunnan Road Project, Loan 1405-IND: Power Transmission Sector Project, Loan 1746-PHI: Pasig River Environmental Management and Rehabilitation Project, Loan 1473-PHI: Sixth Road Project, Loan 1835-PRC: Yellow River Flood (Sector) Project, and Loan 1855-VIE: Second Red River (Sector) Project. Other loans selected were Loan 1424-PAK: Ghazi Barotha Hydropower Project, Loan 1525-LAO: Secondary Towns Urban Project, Loan 1824-CAM: Emergency Flood Rehabilitation, Loan 1456-NEP: Kali Gandaki 'A' Hydropower Project, Loan 1708-BAN: Southwest Road Network Development Project, Loan 1839-IND: Western Corridor Project, Loan 1728-VIE: GMS East West Corridor Project, Loan 1649-SRI: Road Network Improvement Project.

| Issues | Key Findings |
|--|--|
| Income and Livelihood Restoration | <p>10. No provision for income restoration in some projects.</p> <p>11. No clearly defined livelihood programs or model for income restoration.</p> <p>12. Some projects reported “high level of satisfaction” among resettlers without any verifiable information.</p> <p>13. Lack of consistent data with regard to pre- and post-displacement income to assess restoration of income.</p> |
| Consultation, Participation and Grievances | <p>14. APs, NGOs/civil society groups were involved in resettlement implementation through various local committees.</p> <p>15. Grievances redressal data are not available for all projects.</p> <p>16. ADB received a series of complaints from APs affected by the Sri Lanka – Road Network and Philippines – Pasig River Sector Projects.</p> |

AP = affected person, NGO = nongovernment organization, RP = resettlement plan.

2. One reason for the difference in assessment with that conducted by this study and relying on PCRs is that Zaman uses relatively more cases outside People’s Republic of China (PRC) than this study. The SES took all PCRs into account, which led to a large but in the view of this study appropriate weight of the PRC cases in the assessment of the overall impacts. Another reason may be that many PCRs seem to look more at overall impact and compare this to the counterfactual: what would have happened if no resettlement plan (RP) had been prepared. The assessments thus concentrate on added value and often record affected persons (AP) satisfaction as APs seem to be aware that under conditions of no ADB support, less attention would have been given to resettlement. Zaman’s focus compares outcomes with RP targets, and generally looks more at procedural and substantive compliance with the Asian Development Bank’s (ADB) Involuntary Resettlement (IR) Policy. Zaman also criticizes PCRs for not having reasonable detail for fair assessment or evaluation of the resettlement implementation performance. Field-level data, verification or audit is missing in many cases, particularly with respect to income and livelihood restoration. Three of the seven PCRs were noted to have unresolved social/resettlement issues, issues that most likely would not be resolved as ADB’s leverage after loan closing was reduced. Zaman notes that even those projects with less than satisfactory resettlement record can yet be rated overall as successful. Zaman sees this as likely to weaken ADB’s reputation, as it deprives management of the necessary information to take remedial action against public criticisms.

3. Worrying as many findings of the desk study are with respect to involuntary resettlement in the projects reviewed, Zaman notes also some positive aspects of ADB’s policy. The policy objectives are seen as important and good, as they have introduced many good practices: compensation to APs irrespective of title or ownership, special attention to vulnerable groups, restoration of income and livelihoods in the post resettlement period. The desk study acknowledges that marked improvements have been made since the OED study of 2000, in establishment of new systems and procedures for safeguard compliance and in-house project processing. The new categorization into A, B and C projects is seen as positive, whereas it is acknowledged that operations departments have been staffed with more safeguard specialists. In the RPs studied, the entitlements were deemed generally well defined. Overall, Zaman concludes that not much progress has been made with the implementation of ADB’s policy over the years. Resettlement implementation has not consistently been at the level required by the IR Policy.

ASSESSMENT OF TA 2735: CAPACITY BUILDING FOR NATURAL RESOURCES LEGISLATION CONTRIBUTION TO THE LAND MANAGEMENT LAW OF 1998¹

1. In 1996, the Asian Development Bank (ADB) launched a technical assistance (TA) project “Capacity Building for Natural Resources Legislation” (TA No. 2735) with the objective to help upgrade the knowledge and skills of legislative drafters in drafting natural resource laws. One of primary tasks under the TA was to engage both domestic and foreign legal scholars in the then-drafting process for the revised Land Management Law. This appendix briefly assesses the results of this TA, based on relevant reports, from the perspective of assistance with drafting of the revised Land Management Law and with a focus on drafting of provisions on farmers’ land rights in the context of state expropriations.

A. Overall Assessment

2. This TA’s primary objective was to strengthen the capability of legislative drafting in relation to natural resource laws, with a focus on revising and drafting land laws at the juncture that the People’s Republic of China (PRC) was fast moving toward market economy and rule of law. A variety of training programs, including lectures and workshops, were offered to legislative drafters and related government officials on jurisprudence of developed market economies with a developed legal structure. The training covered all aspects of development of an efficient as well as equitable legal structure governing land rights and land use. Because the training was provided in conjunction with legal drafting on land laws, both the trainees and the trainers had specific legal issues in mind, which had guided the training onto a problem-solving course rather than an academic absorption of contemporary legal doctrines. It appears that this type of targeted training with clear functional objectives was successful, which can be seen in legislative incorporation of basic property law ideas concerning land expropriation as discussed below.

3. Second, this TA set a precedent for the openness and transparency of PRC’s legislative process. Traditionally, legislative processes have been closed to public participation other than through members of legislative bodies; the public at large would generally not be aware of the drafting process until the date a law would be adopted by the National People’s Congress. This traditional approach to law making was changed with the implementation of TA 2735. The 1998 Land Management Law, in which the TA consultants were heavily involved, was the first law in PRC that was publicized for comments prior to its final adoption. This established a precedent for legislative transparency with respect to lawmaking on property issues. For example, the Property Law currently under legislative debate followed this precedent by providing its legislative draft to the public for comments in July of 2005.

4. Third, through this TA, ADB became involved substantively in the legislative process, apparently with the PRC government’s authorization. From a legislative perspective, it is of the utmost importance to interact as early as possible with legislative drafters. A law can be more effectively improved during the drafting stage than at the stage of submission for vote. This TA was launched at the time the revision of 1986 LML was put on the legislative agenda, thus giving ample time for substantive discussions on all relevant issues between the drafters and consultants. This early involvement seems to have resulted in a much better legislative draft than the pre-involvement draft as provided in Appendix 6 of the project’s Final Report.

¹ The assessment was provided based on desk review by Dr. Ping Li of the Rural Development Institute.

B. Improvements Made on the Legislative Draft

5. **The breadth of farmers' land rights.** The functional scope of farmers' land rights is an important component of tenure security for farmers. The international consultants clearly recognized this by recommending an explicit list of the scope of farmer's land rights under the revised LML. Although such a list was not adopted in the law, its impacts were carried on, and this list approach was eventually adopted in the later Rural Land Contracting Law (RLCL), prescribing farmers' land rights to include the right to use, benefit from, transfer for agricultural uses and receive compensation when the land is taken.

6. **Improvement on the overarching principle in determination of compensation.** The objective as phrased in the initial draft was "properly accounting for the production and livelihood of the owner or user whose land has been appropriated." The draft did not give any definition of such "properly accounting for", and would, if adopted, make the determination of compensation totally subject to the discretion of local expropriating agencies without any meaningful guiding principle. Clearly, such vague objective could only work to the detriment of APs rather than protecting their interests in access to land. Fortunately, the objective provision was struck down, perhaps due to the TA that emphasized restoring APs' livelihood to the pre-project level.

7. **Better legislative language on compensation.** The drafters' version for discussion under the TA contained a provision that required the state to pay "economic compensation" to APs without specifying any definitional or quantifiable standards. This broadly and meaninglessly construed provision, if adopted, would have put APs in a situation much worse than they faced under the final version of the law prescribing a standard of multiplier of annual output.

C. Recommendations That Are Still Applicable

8. **Valuation of compensation for the assets under state expropriation.** Eight years ago the international consultants realized the importance of setting appropriate compensation levels to encourage investment while discouraging excessive use of collectively owned land by the state. They dismissed the arguments in favor of statutory standards; instead, they recommended to adopt a comparable sales approach where there was a land market, or an income capitalization approach where market information for land was not available, in valuating the expropriated land. Unfortunately, this vital recommendation was not adopted in the 1998 Land Management Law. However, such recommendations are still of significance to the current revision of the 1998 law.

9. **Allocation of land compensation between collective and farmers.** Perhaps in anticipation of collective interception or retention of land compensation through the collective's power over ordinary farmers, the international consultants strongly recommended that the legislative drafters required the collective to share compensation for expropriated agricultural land with affected farmers. Unfortunately, again, this vital recommendation was not adopted by the legislators. Instead, the law explicitly permitted the collective entity to have a complete control over compensation for loss of land for unspecified development of collective economy. The pervasive collective abuse of power in the allocation of land compensation after the law took effect indicates that failure to adopt this recommendation has at least in part led to the problem of under-compensation today. Only six years later the central government realized the consequence by requiring a primary portion of land compensation be used for affected farmers in its Document No. 28 of October 2004.

10. **Narrowing the scope of land expropriation through clear definition of public interests.** Both in recommendations and in development of the concepts concerning land expropriations, the TA consultants stressed the importance of clearly defining the constitutional mandate for state takings in the public interest and narrowing down the scope of government takings. They strongly argued in favor of abolishing of the state monopoly of granting use rights for non-agricultural purposes, and in favor of opening up the market for collectively owned construction land. Although this recommendation apparently was not adopted in the final version of the law, its impacts can still be seen in the current legislative efforts in revising the 1998 LML. The Chinese Communist Party Central Committee's No 1. Document of 2004 includes defining public interests as one of the legislative objectives for the revised law. However, the State Council's Document No. 28 of 2004 is silent on this important issue, perhaps because of the lack of conceptual agreement on when and how to define public interest among decision makers. Whether PRC will take action on defining public interest in forthcoming legal reforms remains to be seen, but the detailed discussions and recommendations on this issue by the ADB consultants are still valid and can be expected to generate positive impact on the reform process.

D. Issues That Were Neglected

11. **Resettlement risks.** Perhaps because the advice under the TA was provided exclusively by legal scholars, the social and cultural dimensions of development induced resettlement were by and large overlooked during the implementation of the TA. Resettlement risks were seldom mentioned in the project documents. Although both international and domestic consultants realized the problems of inadequate compensation for loss of land as a result of government takings, the recommended remedial solution as well as training programs exclusively focused on just compensation based on fair market value of the land. As the ADB's project experience shows, compensation for loss of assets alone, even in an adequate amount, is not sufficient to restore APs' livelihoods.

12. **Silence on procedural safeguards.** The TA documents did not fully discuss and make recommendations on the important rights of APs to notice, participation and appeal during the process of land expropriation. Except for a brief discussion on special tribunals for land disputes over urban land rights and a general statement on APs' participation in the process, the international consultants' report was silent on how to protect APs' interests in land and other properties through a system of due process.

13. The TA covered a range of substantive legal issues concerning formulating land laws in PRC, which is correct. However, emphasizing substantive issues while overlooking procedural issues appears to be walking on just one foot. It should be recognized that any substantive rights will be merely a mirage without functional procedural rights to enforce them.