Resettlement Planning Document

Updated Land Acquisition and Resettlement Framework (LARF)

Pakistan: Punjab Irrigated Agriculture Investment Program (PIAIP)

July 2012

GOVERNMENT OF PAKISTAN
Punjab Irrigation Department
# CONTENTS

I. INTRODUCTION .................................................................................................................. 1
II. LAND ACQUISITION AND RESETTLEMENT PROCESSING REQUIREMENTS .... 3
III. INVESTMENT PROGRAM .......................................................................................... 4
IV. LEGAL AND POLICY FRAMEWORK ....................................................................... 4
   A. Land Acquisition Act 1894 (LAA) ........................................................................... 4
   B. Punjab Katchi Abadi Act (1986) ............................................................................ 6
   C. Punjab Katchi Abadies Act 1992 ........................................................................... 6
   D. ADB’s Safeguard Policy Statement, Policy and Resettlement Principles .......... 6
   E. Comparison of Key LAA and ADB Policy Principles and Practices .......... 8
   F. Remedial Measures to Reconcile Gaps between the LAA and ADB Policy .... 9
V. COMPENSATION ELIGIBILITY AND ENTITLEMENTS FOR DPs .................. 10
   A. Eligibility .................................................................................................................. 10
   B. Valuation and Replacement of Assets .................................................................... 14
VI. IMPACT ASSESSMENT AND LARP PREPARATION ...................................... 16
   A. Impact Assessment .................................................................................................. 16
   B. Gender Impacts and Mitigation Measures ............................................................... 17
VII. LARP PREPARATION ............................................................................................. 18
VIII. CONSULTATION, PARTICIPATION AND DISCLOSURE .................................. 18
     A. Stakeholder’s Consultations ............................................................................... 18
     B. Information Disclosure Plan ............................................................................... 18
IX. COMPLAINTS AND GRIEVANCE REDRESS ..................................................... 19
X. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION ...................... 20
   A. Punjab Irrigation Department .............................................................................. 20
   B. Local Government ................................................................................................. 21
   C. Asian Development Bank .................................................................................... 22
   D. Coordination Initiatives ......................................................................................... 22
XI. LARP IMPLEMENTATION PROCESS AND SCHEDULE .............................. 22
   A. Implementation Schedule ..................................................................................... 22
   B. LARP Implementation Process ............................................................................... 22
XII. BUDGET AND FINANCING ............................................................................... 24
XIII. MONITORING AND EVALUATION ................................................................. 24
     A. Internal Monitoring ............................................................................................. 25
B. External Monitoring .............................................................................................................. 26

Annex
A. Outline of Resettlement Plan
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>BOR</td>
<td>Task 1 Board of Revenue</td>
</tr>
<tr>
<td>CAS</td>
<td>compulsory acquisition surcharge</td>
</tr>
<tr>
<td>CoI</td>
<td>corridor of impact</td>
</tr>
<tr>
<td>DDR</td>
<td>due diligence report</td>
</tr>
<tr>
<td>DFs</td>
<td>displaced families</td>
</tr>
<tr>
<td>DHs</td>
<td>displaced households</td>
</tr>
<tr>
<td>DMS</td>
<td>detailed measurement survey</td>
</tr>
<tr>
<td>DOR</td>
<td>District Officer (Revenue)</td>
</tr>
<tr>
<td>DPC</td>
<td>Displaced Person’s Committee</td>
</tr>
<tr>
<td>DPs</td>
<td>displaced persons</td>
</tr>
<tr>
<td>EA</td>
<td>executing agency</td>
</tr>
<tr>
<td>EPD</td>
<td>Environment and Protection Department</td>
</tr>
<tr>
<td>EM</td>
<td>external monitor</td>
</tr>
<tr>
<td>EMA</td>
<td>external monitoring agency</td>
</tr>
<tr>
<td>GIA</td>
<td>gender impact assessment</td>
</tr>
<tr>
<td>GOP</td>
<td>Government of Pakistan</td>
</tr>
<tr>
<td>GoPb</td>
<td>Government of Punjab</td>
</tr>
<tr>
<td>GRC</td>
<td>grievance redress committee</td>
</tr>
<tr>
<td>IPPMU</td>
<td>Investment Program Planning and Management Unit</td>
</tr>
<tr>
<td>IPSA</td>
<td>initial poverty and social assessment</td>
</tr>
<tr>
<td>ISA</td>
<td>initial social assessment</td>
</tr>
<tr>
<td>LAA</td>
<td>Land Acquisition Act 1894</td>
</tr>
<tr>
<td>LAC</td>
<td>Land Acquisition Collector</td>
</tr>
<tr>
<td>LAR</td>
<td>land acquisition and resettlement</td>
</tr>
<tr>
<td>LARF</td>
<td>land acquisition and resettlement framework</td>
</tr>
<tr>
<td>LARP</td>
<td>land Acquisition and Resettlement Plan</td>
</tr>
<tr>
<td>LARU</td>
<td>Land Acquisition and Resettlement Unit</td>
</tr>
<tr>
<td>LAS</td>
<td>land acquisition survey</td>
</tr>
<tr>
<td>LBDCIP</td>
<td>Lower Bari Doab Canal Improvement Project</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>monitoring and evaluation</td>
</tr>
<tr>
<td>MFF</td>
<td>multitranche financial facility</td>
</tr>
<tr>
<td>MIAVC</td>
<td>Measurement, Impact Assessment and Valuation Committee</td>
</tr>
<tr>
<td>PCSBIP</td>
<td>Pakpattan Canal and Suleimanki Barrage Improvement Project</td>
</tr>
<tr>
<td>PIAIP</td>
<td>Punjab Irrigated Agriculture Investment Program</td>
</tr>
<tr>
<td>PID</td>
<td>Punjab Irrigation Department</td>
</tr>
<tr>
<td>PIU</td>
<td>project implementation unit</td>
</tr>
<tr>
<td>PKAA</td>
<td>Punjab Kachi Abadi Act</td>
</tr>
<tr>
<td>PMO</td>
<td>project management office</td>
</tr>
<tr>
<td>PMU</td>
<td>project management unit</td>
</tr>
<tr>
<td>PRA</td>
<td>participatory rapid appraisal</td>
</tr>
<tr>
<td>RoW</td>
<td>right of way</td>
</tr>
<tr>
<td>SBEs</td>
<td>small business enterprises</td>
</tr>
<tr>
<td>NGOs</td>
<td>Task 3 – nongovernment organizations</td>
</tr>
<tr>
<td>Task 2</td>
<td></td>
</tr>
<tr>
<td>Task 4</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- Task 1: Board of Revenue
- Task 3: nongovernment organizations
- Task 4: nongovernment organizations
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES</td>
<td>socio-economic survey</td>
</tr>
<tr>
<td>SIA</td>
<td>social impact assessment</td>
</tr>
<tr>
<td>VDPs</td>
<td>vulnerable displaced persons</td>
</tr>
</tbody>
</table>
GLOSSARY

Kharif  Summer cropping season of the year (15 April – 15 September)
Rabi  Winter cropping season of the year (15 September – 15 April)
Tehsil  Tehsil is a sub-district (i.e. the layer of administration below a district).

DEFINITION OF TERMS

Displaced Households. All members of the affected household residing under one roof, operating as a single economic unit and consist of a single nuclear family or an extended family group, who are adversely affected by the project or any of its components or activity;

Displaced Persons. In the context of involuntary resettlement, displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

Compensation. Payment in cash or in kind equal to or greater than the replacement cost of the acquired assets.

Encroachers/squatters. People who have trespassed onto an unauthorized private or community land. If such people arrived before the entitlements cut-off date, they are eligible for compensation for any structures, crops or land improvements that they will lose.

Entitlement. Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation, to restore their economic and social base of the displaced persons.

Host Population. Community living in or near to the area, where the affected people are to be relocated.

Income Restoration. Re-establishment of income sources and livelihoods of DPs.

Involuntary Resettlement. Economic and physical dislocation resulting from a development project

Improvements. Structures constructed (dwelling unit, fence, waiting sheds animal pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.

Land Acquisition. The process whereby a person is compelled by a government agency to alienate all or part of its owned land or possesses to the ownership and possession of the government agency for public purpose.

Meaningful Consultation. A process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender
inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

**Rehabilitation.** Compensatory measures provided under the ADB Policy Framework on Involuntary Resettlement other than payment of the replacement cost of acquired assets.

**Relocation:** The physical resettlement of displaced persons at his/her planned place of residence.

**Replacement Cost.** The financial value determined on current market rates as the fair compensation for the loss of agricultural and residential land, crops, trees, and other commodities such as: cost of rebuilding houses and structures at current market prices of building materials and labor, without depreciation or deductions for salvaged building material.

**Resettlement Impact:** The nature and value of livelihood loss caused by the acquisition of land and/or assets.

**Vulnerable Groups.** Distinct group of people who may suffer disproportionately from resettlement effects. The policy defines vulnerable groups as households below the poverty line, the elderly, those without legal title to assets, landless, women, children and indigenous people.
I. INTRODUCTION

1. The Government of Pakistan and the Asian Development Bank (ADB) agreed on a $900 million multitranch financing facility (MFF) for the Punjab Irrigated Agriculture Investment Program (PIAIP) in 2006 to rehabilitate and upgrade the Punjab’s irrigation system. The Program has to be financed through several subsequent tranches or projects. The first tranche (Project 1) for $217.8 million for rehabilitation and upgrading of Lower Bari Doab Canal and $10 million for investment program planning and preparation facility (IPPPF) to prepare the subsequent projects were approved at the same time the MFF was approved in 2006. The project 1 includes (i) on-farm level water resources management improvement; (ii) capacity and institutional strengthening for irrigated agriculture/ water resources management; (iii) irrigation/ water resources infrastructure rehabilitation and modernization; and (iv) enhancement of the enabling environment for improved agricultural productivity. It was envisaged that the MFF will further support rehabilitating & upgrading the three canal systems and the barrages under the subsequent tranches. As the feasibility studies and engineering design of the subsequent projects were not available, therefore, their resettlement plans could not be prepared. This triggered to prepare land acquisition and resettlement framework (LARF).

2. The LARF was first prepared at the time of MFF approval. The land acquisition and resettlement plans (LARPs) of the project 1 followed the principles set in the LARF. The LARF was subsequently updated at the time of approval of tranche 2 (the Project 2) for New Kahnki Barrage Project in 2011. Punjab Irrigation Department (PID) updated this version of the LARF in 2012 for tranche 3 for Pakpattan Canal and Sulemanki Barrage Improvement Project (PCSBIP). The PCSBIP is located in Okara, Pakpattan, Vehari and Lodhran districts. A feasibility study for PCSBIP was prepared, which identified potential resettlement impacts, which provided a basis for preparation of LARP for the project. A satellite image of the Suleimanki Barrage and project location map are in Figures 1 and 2, respectively.

3. The PID is the executing agency (EA) and is responsible for updating the LARF and preparing the LARPs in accordance with the requirements of, Pakistan's Land Acquisition Act of 1894 (LAA), and applicable rules and regulations of Government of Punjab and following the ADB's Safeguard Policy Statement (SPS) (2009). The EA has fully endorsed this updated framework for its implementation and disclosure to the displaced persons (DPs) in a manner easily accessible and understandable. The LARF will be uploaded at EA and ADB websites. The updated LARF defines procedures, consistent with SPS (2009) and LAA for planning, implementing and all land acquisition and resettlement (LAR) tasks for the projects under the MFF. The updated LARF also conforms to the ADB policy regulating the MFF procedures and conditions, as well as applicable laws and regulations of Pakistan.

---

1 It was envisaged that Balloki, Suleimanki, Khanki, Trimmu and Punjnad barrages and Pakpattan and Thal canals would be considered following the project selection criteria indicated in the framework financing agreement.
Figure 1. Satellite image of Suleimanki Barrage

Figure 2. Location map of the project Area
II. LAND ACQUISITION AND RESETTLEMENT PROCESSING REQUIREMENTS

4. The land acquisition and resettlement activities will follow Pakistan’s Land Acquisition Act 1894 (LAA), the Punjab Land Acquisition Rules (1983), the ADB’s SPS (2009) and where applicable, Punjab Katchi Abadis Act 1986 and 1992 (PKAA). The ADB policy and practice requires preparing the following documents for processing and approval of each subsequent tranches:

   i. The LARF for the MFF will be applicable to all subprojects and, if necessary, will be updated and resubmitted for ADB and Government approval, as a condition to access each new tranche under the MFF.

   ii. The initial poverty and social assessment (IPSA) for each tranche will indicate if land acquisition and resettlement impacts are likely to occur, their type, likely magnitude and if the indigenous peoples (IPs) be affected.

   iii. For each subproject under a tranche requiring land acquisition and resettlement, either a LARP or a land acquisition and resettlement due diligence report (LARDDR), which so ever is applicable, will be prepared. The detailed design will determine if LARP or LARDDR is required. In cases where the land, required for the subproject, is unencumbered and owned by government, a LARDDR will be adequate to document the land ownership, process of land procurement; transfer of land from one government department to the other. The ADB policy on involuntary resettlement will not be triggered in such cases. Similarly, the LARP will be prepared when private land has to be acquired and there are resettlement impacts. The LARP will include detailed compensation and/or rehabilitation plan based on SPS (2009) and LAA. The LARP implementation should be completed before access to the required land is allowed.

5. As indicated in the SPS (2009), the contents and complexity of a LARP will vary with the scale and degree of severity of a subproject impacts. Impacts are classified as significant if more than 200 displaced persons have to be resettled or they suffer greater than 10% loss of productive land and assets (income generating). A subproject is classified as Category A, B or C depending on the significance of impacts. For Category “A” and “B” projects, LARPs will be prepared following the outline as in Annex A.

6. As outlined in the ADB policy and practices, the MFF will be conditional based upon the appraisal of each tranche. The approval of the start of any subproject civil works will also be conditional upon that the following land acquisition and resettlement appraisal has been carried out.

   i. The MFF and first tranche appraisal will be conditional to the preparation of a LARF for the MFF and LARPs for the tranche 1 and acceptable to ADB. The Feasibility studies for tranche 2, 3 and subsequent tranches subprojects will be prepared and accordingly the applicable LARP and LARDDRs will be prepared.

   ii. Following tranche review will be conditional to (a) review/update of the LARF (if necessary), and (b) preparation for each project with a LARP/LARDDR fitting the revised LARF as approved by the ADB.

   iii. Possession of land/Notice-to-proceed to the contractors will be conditional to the confirmation of implementation of LARP; payment of compensation and implementation of rehabilitation program for each relevant subproject. Such a condition will be included in the civil work contracts.
7. **Selection Criteria.** Early screening will be undertaken to select sites where land acquisition and consequent involuntary resettlement impacts can be avoided or otherwise minimized. Options with relevant data and required analysis will be presented in each LARP. Sites that impact on indigenous people will not be selected. All efforts will be made to select unencumbered government land. Nonetheless, the project cannot be undertaken unless all ADB safeguards, including environment, involuntary resettlement, and indigenous peoples are adequately prepared and implemented.

### III. INVESTMENT PROGRAM

8. The investment program under PIAIP is being implemented under the MFF through a number of tranches. The Pakpattan canal and Suleimanki Barrage improvement project (PCSBIP) is included in the Tranche 3. A list of the proposed subprojects under the PIAIP is in Table 1.

**Table 1: Proposed Subprojects for Punjab Irrigated Agriculture Investment Program**

<table>
<thead>
<tr>
<th>No.</th>
<th>Subproject</th>
<th>Location/ District</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Lower Bari Doab canal and its distribution system</td>
<td>Kasur, Okara, Sahiwal, Khanewal</td>
<td>Rehabilitation &amp; Upgrading</td>
</tr>
<tr>
<td>2</td>
<td>Balloki Barrage</td>
<td>Kasur</td>
<td>Rehabilitation &amp; Upgrading</td>
</tr>
<tr>
<td>Tranche 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>New Khanki Barrage</td>
<td>Wazirabad/ Gujranwala</td>
<td>New construction</td>
</tr>
<tr>
<td>Tranche 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Pakpattan canal, Khadir branch canal and Pakpattan Islam link canal</td>
<td>Pakpattan, Vehari, Lodhran</td>
<td>Rehabilitation &amp; Upgrading</td>
</tr>
<tr>
<td>5</td>
<td>Suleimanki Barrage</td>
<td>Okara</td>
<td>Rehabilitation &amp; Upgrading</td>
</tr>
</tbody>
</table>

**Tranche 3**

**Other projects that might be included under subsequent tranche(s)**

- 6 Trimmu Barrage, Jhang, Rehabilitation & Upgrading
- 7 Panjnad Barrage, Muzaffargarh, Rehabilitation & Upgrading
- 8 Thal Canal System, Mianwali, Bakhar, Liyah, Muzaffargarh, Rehabilitation & Upgrading

*Originally these projects were conceived under the MFF. However, due to the inadequate balance amount under the MFF on approval of proposed tranche 3, the MFF will be closed and a balance amount, if any, will be cancelled.*

### IV. LEGAL AND POLICY FRAMEWORK

A. **Land Acquisition Act 1894 (LAA)**

9. In Pakistan, LAA (1894) governs the land acquisition. The LAA regulates the land acquisition process and enables the federal and provincial governments to acquire private land for public purposes through the exercise of the right of eminent domain. Land acquisition is a provincial responsibility and each province has its own interpretation of the Act. Some provinces also have their own province specific implementation rules. The LAA and its implementation rules require that following an impact identification and valuation exercise, land and crops are
compensated in cash at the current market rate to the titled landowners. The LAA mandates that land valuation is to be based on the last 3 to 5 years average registered land-sale rates. However, in several recent cases, the median rate over the past 1 year, or even the current rates, has been applied with an added 15% compulsory acquisition surcharge according to the provision of the law.

10. In addition to the provisions of LAA, the regulations setting out the procedures for land acquisition have been provided in the Punjab Land Acquisition Rules, 1983; published in the Gazette of the Punjab Extraordinary, dated February 22, 1983. These rules are applicable in the Punjab. The LAA lays down definite procedures for acquiring private land for projects and payment of compensation. For entering private land or carrying out surveys and investigations, specified formalities have to be observed and notifications to be issued. Damage to any crops during survey and investigations has to be compensated. The displaced persons, if not satisfied, can go to the Court of Law to contest the compensation award of the Land Acquisition Collector (LAC).

11. The law deals with matters related to the acquisition/ or temporary occupation of private land and other immovable assets that may exist on it when the land is required for public purpose. The right to acquire land for public purposes is established when Section 4 of the LAA is triggered. The LAA specifies a systematic approach for acquisition and compensation of land and other properties for development projects. It stipulates various sections pertaining to notifications, surveys, acquisition, compensation and apportionment of awards, along with disputes resolution, penalties and exemptions. The surveys of land acquisition are to be disclosed to the displaced persons. A brief discussion on various sections of the Land Acquisition Act is given in Table 2.

Table 2: Salient Features of the Land Acquisition Act 1894 and Successive Amendments

<table>
<thead>
<tr>
<th>Sections</th>
<th>Salient Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 4</td>
<td>Publication of preliminary notification and power for conducting survey.</td>
</tr>
<tr>
<td>Section 5</td>
<td>Formal notification of land for a public purpose. Section 5(a) covers the need for inquiry.</td>
</tr>
<tr>
<td>Section 6</td>
<td>The Government makes a more formal declaration of intent to acquire land.</td>
</tr>
<tr>
<td>Section 7</td>
<td>The Land Commissioner shall direct the Land Acquisition Collector (LAC) to take order for the acquisition of land.</td>
</tr>
<tr>
<td>Section 8</td>
<td>The LAC has then to direct that the land required to be physically marked out, measured and planned.</td>
</tr>
<tr>
<td>Section 9</td>
<td>The LAC gives notice to all DPs that the Government intends to take possession of the land and if they have any claims for compensation then these claims are to be made to him at an appointed time.</td>
</tr>
<tr>
<td>Section 10</td>
<td>Delegates power to the LAC to record statements of DPs in the land to be acquired or any part thereof as co-proprietor, sub-proprietor, mortgagee, and tenant or otherwise.</td>
</tr>
<tr>
<td>Section 11</td>
<td>Enables the Collector to make inquiries into the measurements, value and claim and issue the final &quot;award&quot;. The award includes the land's marked area and the valuation of compensation.</td>
</tr>
<tr>
<td>Section 16</td>
<td>When the LAC has made an award under Section 11, he will then take possession and the land shall thereupon vest absolutely in the Government, free from all encumbrances.</td>
</tr>
<tr>
<td>Section 17</td>
<td>Section 17 refers to emergency land acquisition, which will not be applied in this project.</td>
</tr>
<tr>
<td>Section 18</td>
<td>In case of dissatisfaction with the award, DPs may request the LAC to refer the case onward to the court for a decision. This does not affect the Government taking possession of the land.</td>
</tr>
<tr>
<td>Section 23</td>
<td>The award of compensation for the owners for acquired land is determined at its market value plus 15% in view of the compulsory nature of the acquisition for public purposes.</td>
</tr>
<tr>
<td>Section 28</td>
<td>Relates to the determination of compensation values and interest premium for land</td>
</tr>
</tbody>
</table>
Section 31 provides that the LAC can, instead of awarding cash compensation in respect of any land, make any arrangement with a person having an interest in such land, including the grant of other lands in exchange.

Section 35 refers to the temporary occupation of arable or waste land subject to the provision of Part VII of the Act. The provincial government may direct the Collector to procure the occupation and use of the same for such term as it shall think fit, not exceeding three years from the commencement of such occupation.

Section 36 provides the information relating to the power to entre and take possession, and compensation on restoration. On the payment of such compensation, or on executing such agreement or on making a reference under Section 35, the Collector may entre upon and take possession of the land, and use or permit the use thereof in accordance with the terms of the said notice.

B. Punjab Katchi Abadi Act (1986)

12. Under the Punjab Katchi Abadi Act (1986), the settlements can be declared as an official Katchi Abadis and urban squatters can be given the right for rehabilitation. The Act envisages the regularization of land entitlements and provision of infrastructure for all squatter settlements on government land established before March 23, 1985. The PKAA led to the establishment of the “Punjab Katchi Abadis”, which was tasked to coordinate the process of awarding leases to the residents and to provide infrastructure and other basic services. The Punjab Katchi Abadis are a province wide agency that operates in towns and cities throughout the Punjab. The Act enables the transfer of government owned land to urban squatters or allocates funds for cash assistance. Based on the PKAA (1986), the Program can provide rehabilitation compensation to encroachers or squatters affected by subprojects.

C. Punjab Katchi Abadies Act 1992

13. Punjab Katchi Abadies Act 1992 (Amendment Ordinance No. XVIII of 2007), this ordinance updated the PKAA 1986. It made provisions for the regularization of Katchi Abadis and outlined the provision for giving assistance. The ordinance stated that the Director General shall be appointed by the Government and will be responsible to implement the Act. Subject to the provisions of sub-sections (2), (3), (4) and (5) and the directions, if any, of the government the Director General can regularize any settlement of more than 40 dwelling units that was occupied before 23rd March 2010. The Director General shall prepare schemes for development, improvement or regularization of Kachi Abadis, including the grant of proprietary rights in Kachi Abadis to the dwellers. The schemes that are prepared are sanctioned by the Government. The arrangements for the schemes are covered in Sections (i), (ii), (iii), (iv), (v) and P4. There has also been an amendment to the Acton the 20th October 2007.

D. ADB’s Safeguard Policy Statement, Policy and Resettlement Principles

14. The policy principles and objectives of ADB Involuntary Resettlement Policy are shown in Box 1 with the key principles highlighted in bold. LARP is required for all acquisition of lands other than the government owned land Land acquisition and resettlement due diligence report will be required in cases of unused government land.
Box 1: ADB Policy Principles and Objectives

**Objectives.** To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

**Scope and Triggers.** The involuntary resettlement safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary.

**Policy Principles**

1. Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.

2. Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.

3. Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.

4. Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.

5. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.

6. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.

7. Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of nonland assets.

8. Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.

9. Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan
10. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project’s costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.

11. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.

12. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions, and the results of resettlement monitoring. Disclose monitoring reports, and isclose monitoring reports.

E. Comparison of Key LAA and ADB Policy Principles and Practices

15. The land acquisition and resettlement aspects have been compared with respect to the Pakistan Land Acquisition Act (1894) and the ADB policy principles and are presented in Table 3. The objective of this comparison is to identify the differences and gaps between the ADB policy and Pakistan’s regulatory systems including the LAA and the Punjab land acquisition rules. In case the Government of Pakistan and the Punjab systems are followed, then there are likely to be shortfalls in comparison to the ADB requirements. The key ADB Policy Principles are (i) the need to screen the project early on in the planning stage, (ii) carry out meaningful consultation, (iii) at the minimum restore livelihood levels to what they were before the project, improve the livelihoods of displaced vulnerable groups (iv) prompt compensation at full replacement cost is to be paid (v) provide displaced people with adequate assistance, (vi) ensure that displaced people who have no statutory rights to the land that they are working and eligible for resettlement assistance and compensation for the loss of non-land assets and (vii) disclose all reports.

Table 3: Comparison of Pakistan’s Land Acquisition Act and ADB’s Safeguard Policy Statement

<table>
<thead>
<tr>
<th>Task 5 Pakistan 1894 Land Acquisition Act</th>
<th>Task 6 ADB Safeguard Policy Statement (2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only titled land owners or customary rights holders are recognized for compensation.</td>
<td>Lack of title should not be a bar to compensation. Requires equal treatment of those without clear land titles (for example, squatters or other informal settlers) in terms of their entitlements for resettlement assistance and compensation for the loss of non-land assets.</td>
</tr>
<tr>
<td>Only registered landowners, sharecroppers and lease holders are eligible for compensation of crop losses.</td>
<td>Crop compensation is to be provided irrespective of the land registration status of the affected farmer/sharecropper. Crops for two seasons Rabi(winter) and Kharif(summer) for full one year are to be compensated based on existing market rates and average farm produce per unit area.</td>
</tr>
<tr>
<td>Tree losses are compensated based on outdated officially fixed rates by the relevant forest and agriculture departments.</td>
<td>Tree losses are to be compensated according to market rates based on productive age or wood volume, depending on tree type. All the removed trees will remain the property of the owner for them to salvage.</td>
</tr>
<tr>
<td>Task 5</td>
<td>Pakistan 1894 Land Acquisition Act</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Land valuation is based on the median registered land transfer rate over the 3 years prior to Section 4 of the LLA being invoked. 15% compulsory acquisition charges are paid over and above the assessed compensation. However, recent practice is that prices base on the average over the last one year prior to acquisition commencing is applied.</td>
<td>Land valuation is to be based on current replacement (market) value with an additional payment of 15%. The valuation for the acquired housing land and other assets is the full replacement costs keeping in view the fair market values, transaction costs and other applicable payments that may be required.</td>
</tr>
<tr>
<td>The valuation of structures is based on official rates, with depreciation deducted from gross value of the structure and also 15% of the value of salvaged materials.</td>
<td>The decisions regarding land acquisition and the amounts of compensation to be paid are published in the official Gazette and notified in accessible places so that the people affected are well informed.</td>
</tr>
<tr>
<td>There is no provision for income and livelihood rehabilitation measures. There are also no special allowances for severely displaced persons and vulnerable groups such as women headed households. There are no requirements to assess opportunities for benefit sharing.</td>
<td></td>
</tr>
<tr>
<td>Prepare and disclose resettlement plans (RPs). There is no law or policy that requires preparation of RPs.</td>
<td>Resettlement plans are prepared and disclosed.</td>
</tr>
<tr>
<td>Grievance redress is established through the formal land acquisition process at a point in time or through appeals to the court</td>
<td>Provide mechanisms that are accessible locally and available throughout project implementation.</td>
</tr>
<tr>
<td>Only compensation is paid but not resettlement allowances, there is no mechanism to ensure payment is made before displacement</td>
<td>All compensation and allowances to be paid prior to physical or economic dislocation.</td>
</tr>
<tr>
<td>No requirements to prepare and disclose monitoring reports</td>
<td>Prepare and disclose monitoring reports</td>
</tr>
</tbody>
</table>

**F. Remedial Measures to Reconcile Gaps between the LAA and ADB Policy**

16. Project specific resettlement issues have been addressed to assist non-titled persons and bridge the gap between existing practice and the main guidelines of the ADB SPS 2009 with respect to the involuntary resettlement. To reconcile the inconsistencies between the LAA (1894) and ADB policy, the government has drafted this LARF for the Investment Program (PIAIP), ensuring that compensation is provided at replacement cost for all direct and indirect losses so that no one is worse off because of the project. Provision of subsidies or allowances will be needed for the displaced households (DHs) that may be
relocated, suffer business losses, or may be vulnerable. By following the new ADB format for an outline of a resettlement plan (Annex-A), the requirements of the ADB can be met.

V. COMPENSATION ELIGIBILITY AND ENTITLEMENTS FOR DPs

A. Eligibility

17. The displaced persons eligible for compensation or rehabilitation provisions under the investment program are:

i. All land owning displaced persons losing land or non-land assets, i.e., crops and trees whether covered by legal title or traditional land rights, whether for temporary occupation or permanent acquisition.

ii. Tenants and sharecroppers, whether registered or not; for all non-land assets, based on prevailing tenancy arrangements.

iii. Displaced persons losing the use of structures and utilities, including titled and non-titled owners, registered, unregistered, tenants and leaseholders plus encroachers and squatters.

iv. Displaced persons losing business, income and salaries of workers, or a person or business suffering temporary effects, such as disturbance to land, crops, and business operations both permanently and also temporarily during construction.

v. Loss of communal assets and public infrastructure.

vi. Vulnerable displaced persons identified through the social impact assessment (SIA).

vii. In the event of relocation, all displaced persons will receive transitional and other support to re-establish livelihoods.

18. Compensation eligibility will be limited by a cut-off date for each subproject on the day of the beginning of the census survey for the impact assessment in order to avoid an influx of outsiders. Each displaced person will be identified and is issued with a household identification, which will confirm their presence on the site prior to the cut-off date. The cut-off date will be announced through the mass media. Displaced persons who settled in the affected areas after the cut-off date will not be eligible for compensation.

19. The following entitlements are applicable for displaced persons losing land, houses/other assets, incurring income losses. These displaced persons are eligible for rehabilitation subsidies and for the compensation of lost land, structures and utilities along with loss of livelihood. There will also be special provisions for vulnerable displaced persons.

i. Agricultural Land Impacts will be compensated as follows:

a. **Permanent Losses.** legal/legalizable landowners (legalizable owners assessed by the DPAC include those who may have customary rights to their land which could be converted to statutory rights) are compensated either in cash at replacement cost plus a 15% Compulsory Acquisition Surcharge (CAS) free of taxes and transfer costs; or through land for land compensation mechanisms with plots comparable in area, productivity and location to the plots lost. Leaseholders of public land will receive rehabilitation in cash equivalent to the market value of the gross yield of lost land for the remaining lease years (up to a maximum of three years). The squatters/encroachers especially vulnerable
will be rehabilitated for the loss of land use through a special self-relocation allowance (additional to all allowances) corresponding to one year of agricultural income or through the provision of a free or leased replacement plot comparable in area, productivity and location to the plots lost.

b. **Temporary Land Loss**: legal owners and tenants or encroachers assessed by the DPAC will receive cash compensation equal to the average market value of each lost harvest for the duration of the loss, and by the restoration of both, cultivable and uncultivable land, to pre-construction conditions. Through specification in the contract agreements, contractors will be required to carry out restoration works before handing over the land back to the original occupiers, or DPs will be provided with cash to rehabilitate the land.

c. **Vulnerable Displaced Persons**: Vulnerable households will be entitled to an allowance equal to the market value of the harvest of the lost land for one year (*rabi* and *kharif* seasons), in addition to the standard crop compensation. The aim of this payment is to assist vulnerable displaced persons to overcome the short-term adverse impacts of land and asset loss, and help them to readjust to their changed circumstances while they are making replacement-earning arrangements. There will be a need to closely monitor such displaced people. One-time payment should, at the absolute minimum be adequate to provide them with equivalent level of livelihood than they had previously. Other options can be considered, including non-cash based livelihood support and employment (both temporary and permanent) as well as provide some vocational training. Other additional income restoration measures can be considered based upon the findings of the Social Impact Assessment.

d. **Residential and Commercial Land** will be compensated at replacement value for each category of the DPs. Land will be valued at replacement cost based on current market values by carrying out a survey of transactions in the year before the date of invoking Section 5 and subsequent sections. The detailed socio-economic household surveys will need to identify when such situations occur. In such cases, compensation may need to be made for all of their land even though not all of it has to be acquired. Residential and commercial land owners will be entitled to the following:

- Legal owners will be compensated by means of either cash compensation for lost land at replacement cost based on the market value of the lost land plus a 15% CAS, free of taxes and transfer costs; or in the form of replacement land of comparable value and location as the lost asset.

- Renters are compensated by means of cash compensation equivalent to three months of rent or a value proportionate to the duration of the remaining lease, including any deposits they may lose.

- Encroachers/ Squatters, if physically relocated, are compensated through (a) a self-relocation allowance covering up to six months of income, or relocation within or around (whichever most viable) the existing location, and (b) provision of a leased replacement plot in a public owned land area. They will be compensated for the loss of immovable assets, but not for the land that they are occupying.

e. **Land for land compensation** has significant advantages that it reduces the
chance of displaced people spending their compensation on unproductive items. The difficulty is that in the location of the proposed program there might be no availability of similar category of land. In cases where displaced persons desire land for land compensation, then the process by which replacement land is identified needs to be recorded. When land for land compensation is used, along with provision of replacement housing, then the replacement plots are to include all basic facilities and services such as water supply, sanitation, roads, drainage and electricity. The LARP will detail the costs for site development and for the provision of these basic facilities.

f. The LARP will clearly describe the details regarding site preparation/development and implementation schedule and tenural arrangements. In managing the land for land relocation, the socio-cultural and religious characteristics of the displaced persons and host communities will be taken into consideration and the distance between the old and new locations should be minimized, so that routine business activities and or community interaction could not be affected. If “land for land” option cannot be found appropriate, the LARP will clearly demonstrate the lack of alternate land for land option.

ii. All other Assets and Incomes

a. Houses, buildings and structures will be compensated for in-cash at replacement cost plus 15% CAS. There will also be a 10% electrification allowance and any transaction costs will be paid. Material that can be salvaged is allowed to be taken by the owner, even if compensation has been paid for them. For evaluation of replacement costs, a survey will be conducted to obtain the current prices for calculation of compensation. If land acquisition is through the LAA, the District Price Assessment Committee will hold meetings with displaced persons on compensation assessments. The Social Safeguard Unit (SSU) will participate as an observer and will ensure minutes are kept/circulated. The Collector will hold enquiry under section 5 (a) of the LAA, SSU will document the proceedings. If lease agreements are made between displaced persons, and the PID, formal lease agreements will be signed, implemented and monitored. Thus, the houses, buildings and other structures will be valued at replacement cost plus labor cost based on the area, type and material of the affected item. No deductions will be made for depreciation, salvageable materials or transaction costs and taxes. Rates for building structures will be evaluated by the Building Department using the latest quarterly report that is regularly published by the Building Department.

b. Renters or leaseholders of a house or structure are entitled to cash compensation equivalent to three months rent or reimbursed for any outstanding time on the lease for which payments have been made.

c. Crops compensation will be paid to the owners, tenants and sharecroppers based on their agreed shares. If permanent land acquisition, the compensation will be the full market rate for one year of harvest including both rabi and kharif seasons. If temporary for the season lost. Crops will be valued at current market rates of gross value of harvest as valued by the Agricultural Department.

d. Fruit and other productive trees will be compensated based on rates sufficient to cover income replacement for the time needed to re-grow a tree to the same productivity of the one lost. The loss of fruit bearing trees will be compensated based on their type, productive age and the market value of the produce for the remaining period of its average life. The value of younger fruit trees will be based on the expenditure made to bring the tree to its current state. The Horticulture wing
of the Agriculture Department will assess the unit rates in case of fruit trees.

e. Trees used as sources of timber will be compensated based on the market value of the wood production as well as future potential value. The value of trees that would have been used for timber will be calculated based on the average volume and quality of wood produced and taking into consideration the size classes as determined by girth, diameter at breast, height and volume as assessed by the Forest Department.

f. Businesses will be compensated with “cash” compensation equal to six months of income for permanent business losses. For temporary losses, cash compensation equal to the period of the interruption of business will be paid up to a maximum of 3 to 6 six months or covering the period of income loss based on construction activity.

g. Workers and employees will be compensated with cash for lost wages during the period of business interruption, up to a maximum of three months or for the period of disruption.

h. Relocation assistance is to be paid for DPs who are forced to move from their property. The level of the assistance (transition support) is to be adequate to cover transport costs and special livelihood expenses for at least 1 month or based on the severity of impact as determined on a case-by-case basis and included in the LARP.

i. Community Structures and Public Utilities, including mosques and other religious sites, graveyards, schools, health centers, hospitals, roads, water supply and sewerage lines, will be fully replaced or rehabilitated to ensure their level of provision is, at a minimum, to the pre-project situation.

j. Vulnerable people are defined as households who have a per capita monthly income\(^2\) of below Rs. 7,500 (or provincial figures relevant at the time of tranche preparation) and those who are headed by a woman/ or widow/ disabled adult or identified as vulnerable through the SIA. This figure is based on the provincial poverty line using the minimum wages that are fixed by the GOPb. These vulnerable people will be identified through the Social Impact Assessment (SIA) process and will receive a lump sum allowance, or additional assistance, to enable them to restore their livelihoods. They must be compensated and supported to improve their living standards to at least national minimum standards.

20. Detailed household level socio-economic surveys will need to be carried out prior to any land acquisition activity in order to fix the baseline condition. At this time, an assessment is to be carried out to determine the nature and level of household losses and the likely impact on livelihoods. The range of options available, including relocation, will be outlined to the displaced persons. These surveys of all displaced persons will need to be repeated/updated if more than one year has passed since preparing LARPs and project approval and for monitoring purposes.

21. Compensation and rehabilitation entitlements are summarized in the Entitlement Matrix presented as follows:

\(^2\)Income at poverty line.
B. Valuation and Replacement of Assets

22. The following methodology will be adopted for assessing unit compensation rates:

i. Land will be valued at replacement cost based on current market values by carrying out a survey of transactions in the year previous to the date of invoking Section 5 and subsequent sections, if land award is delayed by a year, unit price/market rate will updated to the year of land award.

ii. Houses, buildings and other structures will be valued at replacement cost plus labor cost based on the area, type and material of the affected item. No deductions will be made for depreciation, salvageable materials or transaction costs and taxes. Rates for building structures will be evaluated by the Building Department/Works Department using the latest quarterly report that is regularly published by the Building Department.

iii. Crops will be valued at current market rates of gross value of harvest as valued by the Agricultural Department.

iv. The loss of fruit bearing trees will be compensated for based on their type, productive age and the market value of the produce for the remaining period of its average life. The value of younger fruit trees will be based on the expenditure made to bring the tree to its current state. This will be assessed by the Horticultural Wing of the Agriculture Department.

v. The value of trees that would have been used for timber will be calculated based on the average volume and quality of wood produced and taking into consideration the size classes as determined by girth, diameter at breast, height and volume as assessed by the Forest Department. A summary is provided in Table 4.

<table>
<thead>
<tr>
<th>Assets Lost</th>
<th>Specification</th>
<th>Displaced Persons</th>
<th>Compensation Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural land, including, cultivable land and uncultivable/ wasteland</td>
<td>All land losses</td>
<td>Owner</td>
<td>• Cash compensation at replacement cost plus 15% CAS, free of taxes, of registration and transfer costs; or</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Land for land compensation through provision of plots of equal value and productivity as that of lost.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sharecropper/ tenant (registered or not)</td>
<td>• Cash compensation equal to the market value of the share of lost harvests: two shares if the land loss is permanent, one if it is temporary.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lease tenant (registered or not)</td>
<td>• Cash equivalent of the market value of the gross yield of lost land for the remaining lease years, up to maximum of three years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Encroacher/ squatter</td>
<td>• Rehabilitation allowance equal to the market value of the harvest of lost land for one year (both rabi and kharif crops) in addition to standard crop compensation.</td>
</tr>
<tr>
<td></td>
<td>Additional provision for vulnerable DPs (losing more than 10% their total productive land and assets (income)</td>
<td>Owner / lease tenant</td>
<td>• One severe impact allowance equal to the market value of harvest of lost land for one year (both rabi and kharif crops) plus standard crop compensation.</td>
</tr>
</tbody>
</table>

Table 4: Entitlement Matrix for Compensation
| Temporary impact on arable land | All DPs (with and without title) | Crop compensation for lost season(s) and reclamation of land as original use. |
| Sharecrop tenant | Sharecrop tenant | One severe impact allowance equal to the market value of their share of one year harvest (both rabi and kharif crops). |
| Encroacher/squatter | Encroacher/squatter | One severe impact allowance equal to the market value of gross harvest of the lost land for one year (both rabi and kharif crops). |

### Residential/commercial land

**Owner (legal/legalizable)**

- Cash compensation at replacement cost plus 15% compulsory acquisition surcharge (CAS) free of taxes, registration and transfer costs; or
- Land for land compensation through provision of plots of comparable value and location as the lost asset, including transitional support.

**Renter/Leaseholder**

- Cash compensation value proportionate to the duration of the remaining lease period.

**Encroacher/squatter**

- Self relocation allowance covering one year of income; or
- Provision of a replacement plot in a public land with the same legal status of that lost.

### Residential and commercial structures

**Owner of the structure, including encroachers/squatters**

- Cash compensation at full replacement cost for affected structures and other fixed assets, free of salvageable materials, depreciation and transaction cost and transportation cost; or if partial loss, full cash assistance to restore the remaining structure. The option of relocation and relevant support will be discussed during the socio-economic surveys, and included in the LARPs.

**Renter/Leaseholder**

- Cash compensation equivalent to three months rent or a value proportionate to the duration of the remaining lease.

### Community Assets

- Rehabilitation/substitution or cash compensation at full replacement cost of the affected structures and utilities.

### Businesses

- Cash compensation equal to income during the interruption period, as determined through the SIA and included in the LARP.

### Employment

- Indemnity for lost wages for the period required to re-establish business as determined through the SIA and included in the LARP.

### Crops

**Affected crops**

- Cultivator of crops

For permanent acquisition, crop compensation in cash at the full market rate for one year crop income (both rabi and kharif harvests). In case of sharecropper or a tenant, compensation will be made as per their share.

### Trees

- All affected trees

- Owner

- Fruit trees: compensation to reflect income replacement; trees grown and/or used.

- For timber tree, then compensation will be the market value of tree’s wood content.

### Relocation

**Transport/transit costs**

- All DPs to be relocated

- Provision of allowances to cover transport costs on actual cost basis at current market rates. If physical relocation of the affected households is required and requested by the
displaced persons, appropriate relocation sites will be developed. The need for support during the transitional period will be assessed through the SIA and included in the LARP.

| Vulnerable DPs livelihood | Poor and female-headed households and other vulnerable households, including the elderly, identified through the SIA. | • Lump sum assistance allowance in cash (as agreed between the DP and EA) or other livelihood restoration support.  
• Temporary or permanent employment during construction or operation, where feasible.  
• In addition, elderly people and female headed households without earning capability will also be eligible for a cash allowance equivalent to at least six months of minimum wages\(^3\) of Rs 7500/- per month as fixed by the GOPb (in accordance with figures released by the Province) using the poverty line index or as determined through the social impact assessment surveys. |
| Unidentified Losses | Unanticipated impacts | All DPs | • Dealt with as appropriate during subproject implementation according to the ADB Safeguard Policy. |

### VI. IMPACT ASSESSMENT AND LARP PREPARATION

#### A. Impact Assessment

23. The impact assessment and LARP will be a part of the preparation of each tranche of funding. The LARP for tranche 3 sub-projects will be updated on completion of detailed design. The requirement will be to take the completed detailed design of the intervention and carry out a measurement survey and enumeration. Applicable Board of Revenue approved rates will be included in the LARP. An outline for preparing a resettlement plan, based on the ADB Safeguard Policy Statement (2009) is placed at Annex A. The appraisal will entail the following studies and investigations:

i. **Initial Poverty and Social Assessment (IPSA).** The IPSA will be prepared at an early stage of each tranche.

ii. **Census Survey.** A census of all gender segregated DFs, displaced persons (DPs) linked to the project impacts by type, and with payable compensation amounts and rehabilitation allowances will be undertaken. The Census will determine the exact number of DFs/ displaced persons and how they are affected by the specific land acquisition requirements of a subproject. The Census will also identify all vulnerable displaced families (VDFs/ VDPs).

iii. **Impacts Assessment and Inventory.** This task will be based on a Detailed Land Measurement Survey (LDMS), which identifies the nature and magnitude of land loss/ impact. The survey will include all losses including land (residential, commercial and agricultural), immovable structures, communal, public and cultural/ religious facilities, crops, trees and business incomes and wages. The impact assessment will also include current market rates/unit prices, and assessment compensation amounts based on the incomes of the DFs and effects of temporary/permanent land acquisition on their livelihoods.

\(^3\)Income at poverty line.
iv. Updating of Land Records with the support of the Land Acquisition Collector (LAC) and other revenue staff.

v. In case the private land is acquired, compensation rates after holding enquiry of section 5 (a) of the LAA and Board of Revenue, approved prices will be included in the final LARP(s).

vi. Socioeconomic Survey. A socio-economic survey of 25% of the DFs/DPs will be carried out to provide a detailed socio-economic profile of the project area, which will also be monitored during LARP implementation. The information gathered will focus on: (i) household composition and demography; (ii) ethnicity/caste groups; (iii) education; (iv) land use and ownership patterns, (v) livelihood patterns; (vi) income levels and expenditure patterns; (vii) displaced persons views on the subproject and various resettlement and rehabilitation options; (viii) specific impacts on the poor, indigenous people (if any), women and other vulnerable groups. The data will be gender disaggregated to identify specific gender related issues. The survey will be used to investigate the displaced persons’ socio-economic conditions, identify the project impacts on displaced persons and to establish a benchmark for monitoring and evaluating the implementation compensation and rehabilitation program.

B. Gender Impacts and Mitigation Measures

24. In general, about one-half of the total population of Pakistan is women who have the rights to have an equal participation in the economic development of the country. In this context, in the development projects, a particular attention will given to the women relating to the compensation pertaining to their activities and to ensure that women who are household heads are clearly listed as entitled/eligible for compensation and rehabilitation assistance. In order to ensure the above, the following actions will be taken into consideration.

25. A LARP will include measures ensuring that the socio-economic needs and priorities of women are identified, addressed and mitigated accordingly. The following gender provisions will be incorporated to safeguard the specific needs and problems of women displaced persons (WDPs) during subproject implementation. The socio-economic data gathered will be gender-disaggregated. Gender roles analyzed if the women needs, aspirations and priorities of women will be taken into consideration during consultation and preparing mitigation measures and reported in the LARP. In this context, female enumerators will be involved to collect data and assist women in resettlement activities. Women household heads will be registered as the recipients of compensation and rehabilitation measures due to the project impact. Land titles and use rights to replacement of land will be registered in the name of women if the land lost to a subproject was legally owned by women. Women will be included in the consultation process through meetings held with the women and will be encouraged to participate in the LARP planning and implementation process. The following major aspects will be covered under the gender impact assessment (GIA):

- Include female enumerators during the impact assessment survey.
- Impact assessment of DFs/DPs indicating the total number of families and people must be gender disaggregated to pinpoint how many women are likely to be affected by the Project and establish their pre-project conditions.
- Women will be the major participants in the consultation process to determine and negotiate for compensation entitlements and implement the LARP.
- Special attention will be given to the impact of resettlement on women and other vulnerable groups, such as IPs, during monitoring and evaluation of the LARP.
Women government officials can be considered as women representatives in the Land Acquisition Committee wherever is available.

Land/ house titles will be in the name of actual owner of spouses for asset replacement/ or for relocation.

VII. LARP PREPARATION

26. All LARPs will be based on the provision outlined in this LARF. LARPs will need to be updated to take into account changes in the final designs. If needed, the LARP should be updated; (i) on the completion of detailed engineering design but prior to the award of civil works contracts and (ii) during the subproject civil works where design changes during construction result in changes to the resettlement impacts. Land will not be possessed until all amended LARPs are approved by the ADB, payments made, replacement of land found, replacement of structures provided and displaced persons relocated. The LARPs will include a time bound action plan for the acquisition of land and payment of compensation on other all impacts as well as other LAR activities like information disclosure, community consultations, preparation of internal and external monitoring reports.

VIII. CONSULTATION, PARTICIPATION AND DISCLOSURE

A. Stakeholder’s Consultations

27. The timing and nature of stakeholder’s consultations will vary depending upon the implementation program. The institutional responsibilities for consultation lie with the executing agency (EA). Consultations will be carried out with the displaced persons to identify their needs and preferences for compensation and rehabilitation measures. In this regard, the displaced persons will be thoroughly informed on the results of the census and impact assessment and their preferences for compensation and other resettlement assistance will be given due consideration. The process and mechanism ensuring the active involvement of displaced persons and other stakeholders will be detailed in the LARPs, which will include as an Annex with the list of participants, the location, date and minutes of consultation meetings.

B. Information Disclosure Plan

28. There will be a need to establish a communications strategy for addressing the requirement for public consultation and participation, including a needs assessment. During the census and DMS, each affected household will be directly informed about the subproject entitlements and procedures. Key information in the LARF (Information Pamphlet), including the entitlement matrix, will be translated in Urdu and disclosed to displaced persons, a copy of the Information Pamphlet will be placed in the concerned offices, such as the PIUs, Revenue Department (LAC) and PMO for the public information. Under a tranche, if LARPs are required, an Urdu information pamphlet summarizing the LARP will be provided to all displaced persons prior to ADB management approval and uploaded on ADB website. If there is a need to update LARPs, the updated LARP will also be disclosed to displaced persons and uploaded on ADB website. All subsequent monitoring reports will required to be disclosed.

29. The consultation process will need to outline the legal procedures that are to be
followed for land acquisition and relocation in line with the Punjab, Pakistan regulatory framework and SPS principles. The details of the process will be clearly communicated to the displaced people and in a form that can be easily understood. The information given should also include the provisions of the ADB Safeguard Policy Statement (2009) and outline the rights and obligations of any displaced people. The consultation process for any displaced people will need to establish the degree to which any lost land and assets contributed towards their livelihood. The range of options for compensation can be identified, along with their entitlements for lost assets that are outlined in entitlement matrix.

IX. COMPLAINTS AND GRIEVANCE REDRESS

30. This section describes mechanism to receive and facilitate the resolution of displaced person’s concerns and grievances. It explains how the procedures are accessible to displaced persons and gender. The EA will arrange resources; necessary logistic support for the DPs to have an easy access to the grievance committee. A grievance mechanism will be available to allow a DP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. DPs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Proper consideration will be given to avoid the grievances rather than going through a redress process. This can be obtained through the practicable LAR design and implementation, by ensuring full participation and consultation with the DPs, and by establishing extensive communication and coordination between the community, the PMO, the DO (Revenue)/ LAC and other line departments.

31. The Grievance Redress Committee (GRC) will work both at the “Project” and “Field” level. Accordingly, the GRC will be established both at i) Project; and ii) Field level.

   o The Project level GRC will constitute (i) PMO (PD, Director/Deputy Director Social Safeguard, Community Consultation Officer); (ii) PIUs (XEN/SDO or equivalent); iii) DO (Revenue)/LAC; (iv) DPs/Displaced Persons Committee (DPC).

   o The Field level GRC will constitute: (i) PIUs (XEN/ SDO or equivalent); (ii) SSU (Social Safeguard Officer, Community Consultation Officer); (iii) DO (Revenue)/LAC; (iv) DPs or displaced persons committee (DPC) or representatives of concerned FO (if any).

32. The District level PID staff and Social Safeguard Unit (community relation officer) will inform the displaced persons about GRC and mechanism by pasting the information at prominent places. The complaints will be registered by maintaining a Community Complaints Register (CCR), where the name & address of complainer, date, description of complaint and action taken will be documented.

33. The finances will move differently for land compensation and compensation for other items or rehabilitation assistance. In the first case compensation funds will move from the EA (PID/ PMO) to the District Officer (Revenue)/ LAC to the DPs, while, in the second case, the payment of compensation will be made directly from the PID (PMO) to the DPs. The community complaints & grievances will be addressed through two different processes as described in the following table. Community complaints and grievance redress process is in Table 5.
Table 5: Community Complaints and Grievance Redress Process

<table>
<thead>
<tr>
<th>Land/ Crop Compensation Issues</th>
<th>Project/ Other Items Compensation Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. First, complaint resolution will be attempted at site (field level) through the involvement of the PIUs, SSU, DPs/ DPC, or informal committee/ and or concerned FO (if any).</td>
<td>1. First, complaint resolution will be attempted at site (field level) through the involvement of the PIUs, SSU, DPs/ DPC, or informal committee/ and or concerned FO (if any).</td>
</tr>
<tr>
<td>2. If still unsettled, a grievance can then be lodged to the Field level GRC who will have 14 days to decide the case/ issue.</td>
<td>2. If still unsettled, a grievance can then be lodged to the Field level GRC (LAC who will have 14 days to decide the case/ issue. The involvement of LAC will be optional in case of no land related issues.</td>
</tr>
<tr>
<td>3. If no solution reached, the grievance can be lodged to the Project level GRC. The DP must lodge the complaint within one month of lodging the original complaint with the Field level GRC, and must produce documents supporting his/ her claim. The GRC will provide the decision within 21 days of registering the complaint. The GRC decision will comply with this LARF provision.</td>
<td>3. If no solution reached, the grievance can be lodged to the Project level GRC. The DP must lodge the complaint within one month of lodging the original complaint with the Field level GRC, and must produce documents supporting his/ her claim. The involvement of LAC will be optional in case of no land related issues. The GRC will provide the decision within 21 days of registering the complaint. The GRC decision will comply with this LARF provision.</td>
</tr>
<tr>
<td>4. In case, the grievance redress system does not satisfy the DFs/ DPs, then they can pursue further by submitting their case to the appropriate court of law as per the process set out in Section 18 to 22 of the LAA 1894.</td>
<td>4. In case, the grievance redress system does not satisfy the DFs/ DPs, then they can pursue further by submitting their case to the appropriate court of law.</td>
</tr>
</tbody>
</table>

X. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION

34. The compensation/ rehabilitation program described in this LARF involves distinct processes and dynamics and different agencies. These include PID as the EA, Revenue Department, Forest Department, Agriculture Department, Building Department and other line departments/ agencies as discussed in the ensuing section.

A. Punjab Irrigation Department

35. Punjab Irrigation Department, the executing agency has overall responsibility for the project including for the preparation, implementation and financing of all LAR tasks and for cross-agency coordination. PID will exercise its functions through the Project Management Office (PMO). The PMO will be responsible for overall project execution through establishing the project implementation units (PIUs) at district level, which will be tasked with day to day project activities.

36. The PMO will hire safeguard individual consultant or firm either directly or through the project supervision consultants, with ADB technical guidance. The safeguard specialist staff will assist PMO and its safeguard unit (i) to manage the safeguard tasks, (ii) monitoring and evaluation establishing internal monitoring and evaluation system, and preparing monitoring reports for EA and ADB, and (iii) will provide support for grievance redress.
37. Within the PMO, an Environment and Social Safeguards Unit (E&SSU) will be in place prior to preparation and implementation of LARPs. E&SSU will manage all land acquisition and resettlement activities involved under the implementation of the subprojects. The E&SSU will work under the overall supervision of the Project Director and will include a Director Safeguards social and environment, a M&E expert, a grievance redress officer, land acquisition collector with field staff, a Community Relations officer and resettlement and environment specialists (one each) along with social mobilizers. The major tasks of the E&SSU will be as follows:

i. The overall Project Director will be responsible to ensure, through E&SSU, preparation/updating, implementation and monitoring of LARP(s) in a manner fully consistent and compliant with the objectives and policy principles of ADB SPS (2009), LARF and LAA.

ii. The community relations officer (CRO) with the support from E&SSU will be responsible for conducting the community consultations in compliance with meaningful consultations requirement of SPS (2009). All consultations with the community members and DPs will be recorded in the form of minutes, and signed copies of the minutes will be circulated to all concerned including DPs. The community relation officer will be responsible to prepare and implement a communications strategy for disclosing project information and addressing the requirement for public consultation and participation. This will also include (i) a need assessment; ensuring full participation of the community in planning, implementation and monitoring of LAR activities; (ii) carrying out meaningful consultation with the DPs, (iii) establishing communication and coordination between the community; and (iv) enforcing the cut-off date through mass media, so that the influx of outsiders could be avoided.

iii. The Monitoring and Evaluation Officer (M&EO) will be responsible for establishing management information (M&E monitoring) system for E&SSU and providing major input in the preparation of monitoring reports. Internal monitoring reports will be prepared monthly and submitted to ADB through the Project Director PMO on quarterly basis (depending on the scale and sensitivity/complexity of the project impacts).

38. In case of significant impacts, an independent monitoring agency will also be required to carry out external monitoring of LARP implementation. All monitoring reports will be disclosed to the displaced persons including the preparation of corrective action plan(s).

B. Local Government

39. At provincial level, functions relating to land acquisition rest with the Board of Revenue (BOR), while at District level, LAC and revenue staff designated as such by the District Collector will be responsible for acquiring land in a LAA and SPS consistent manner and make payments to the DPs. In addition, a number of other supporting officials, most notably the Patwari, (the land records keeper) carry out specific roles such as titles identification and verification. Similarly, the functions pertaining to compensation of assets different from land (i.e buildings and crops) or income rehabilitation also fall on the local governments, more specifically on the respective District Officer (Revenue).
C. Asian Development Bank

40. ADB will review all applicable safeguard documents, (e.g. LARPs, LARF, DDRs, monitoring reports and corrective action plans, where required), provide clearance and supervise the implementation of LARPs.

D. Coordination Initiatives

41. With the effective coordination of above departments/agencies, the assessment and payment for compensation will be made to eligible persons in a timely manner. Timely payment to the DPs will ensure a smooth and timely project implementation. For this purpose, a LAR coordination committee (LARCC) and other committees deemed necessary will be formed.

i. LAR Coordination Committee. The LARCC will coordinate for the preparation and implementation of LARPs. On the request of PMO, the PID will constitute the LARCC. The composition of the LARCC will include the member from PMO, PID, BOR and other concerned departments including Forest, Agriculture and Public Works & Communication (Building). The committee will meet on a quarterly basis to ensure implementation of the LARPs on time and its full spirit.

ii. LARP updating. The LARP will be updated following the revisions/ modifications in the project design, if any. The project director will be responsible for such revisions. LARP may also need revision on determination of prices for land and other assets. The LARP should not be approved until these prices are made available.

iii. Compensation Disbursement Committee (CDC). Land and land based payments will be made through the land acquisition committee, when rehabilitation allowances (if any) will be paid through a compensation disbursement committee to be formed by the Project Director. This committee will consist of Deputy Director Budget & Accounts PMO, Resettlement and M&E specialists from the consultants and GRC and DPC representatives.

XI. LARP IMPLEMENTATION PROCESS AND SCHEDULE

A. Implementation Schedule

42. LARPs will include a time-bound implementation schedule to be prepared for each LARP, synchronized with contract award and contractor’s mobilization and possession of lands. All LAR and procurement milestones will be enlisted with every single activity sequenced and timed/dated. No civil works can be initiated before LARP is approved and fully implemented, as confirmed through monitoring reports by supervision firm.

B. LARP Implementation Process

43. The implementation of a LARP will involve a multi-task process, having the responsibility of all line agencies and concerned Departments. This process is summarized in table given below. Civil works implementation for a subproject will only commence after this process is completed and the compensation and rehabilitation program detailed in a LARP, including compensation delivery, has been fully implemented. At this stage of program, formulation it is not yet

4In particular, execution of surveys, valuation of assets, DPs consultation and local approval of LARPs provisions
It is possible to draw up a time bound framework for the process. The implementation period will be defined in the LARP documents. It should be recognized that as all of the relevant clauses of the LAA 1894 will be applied and this is a sequential process that takes minimum 6 months to 12 months or even more depending upon the complexity of issues. The LARPs preparation and implementation processes are summarized in Table 6.

Table 6: Land Acquisition and Resettlement Plan Processes

<table>
<thead>
<tr>
<th>No.</th>
<th>Description of Tasks</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td><strong>Preparation/ Tranche preparation</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Scoping and sizing of the Investment Program</td>
<td>Consultants, PID</td>
</tr>
<tr>
<td>2</td>
<td>Finalization of subprojects</td>
<td>PID, Consultants</td>
</tr>
<tr>
<td>3</td>
<td>Detailed scoping of potential land acquisition and resettlement impacts</td>
<td>Consultants, PMO</td>
</tr>
<tr>
<td>4</td>
<td>Review/update of subproject designs indicating if a LAR is necessary</td>
<td>Consultants, PMO/E&amp;SSU</td>
</tr>
<tr>
<td>B</td>
<td><strong>LARP Implementation</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Proposal to Revenue Department with a summary of the subproject and the required LAR component</td>
<td>(PID, PMO/E&amp;SSU)</td>
</tr>
<tr>
<td>2</td>
<td>Publication of Notice of Intent to acquire land under Section 4, LAA, and follow on steps such as sections 5 and 5 (a).</td>
<td>LAC and E&amp;SSU</td>
</tr>
<tr>
<td>3</td>
<td>Preparation of census, impact assessment and socioeconomic surveys</td>
<td>PMO, Consultants, E&amp;SSU</td>
</tr>
<tr>
<td>4</td>
<td>Training of survey, assessment and valuation teams</td>
<td>PMO, Consultants, E&amp;SSU</td>
</tr>
<tr>
<td>5</td>
<td>Coordination with relevant local government agencies/departments</td>
<td>PMO, E&amp;SSU, Consultants</td>
</tr>
<tr>
<td>6</td>
<td>Verification of land records in affected areas and update of cadastral maps</td>
<td>LAC, PMO, E&amp;SSU, Consultants</td>
</tr>
<tr>
<td>7</td>
<td>DMS, census and socio-economic survey plus valuation survey</td>
<td>E&amp;SSU, PMO, LAC, E&amp;SSU</td>
</tr>
<tr>
<td>8</td>
<td>Review of census and survey and request for additional field work, if required</td>
<td>E&amp;SSU, Consultants</td>
</tr>
<tr>
<td>9</td>
<td>Public consultations and negotiations</td>
<td>PMO, E&amp;SSU, Consultants, DPs</td>
</tr>
<tr>
<td>10</td>
<td>Preparation of LARPs utilizing the results of census and socioeconomic survey data</td>
<td>PMO, E&amp;SSU, Consultants</td>
</tr>
<tr>
<td>11</td>
<td>Approval of the LARP</td>
<td>PMO/ PID</td>
</tr>
<tr>
<td>12</td>
<td>Submission of the LARP to the ADB</td>
<td>E&amp;SSU</td>
</tr>
<tr>
<td>13</td>
<td>LARP public disclosure</td>
<td>E&amp;SSU</td>
</tr>
<tr>
<td>14</td>
<td>Distribution of relocation notices to DPs</td>
<td>E&amp;SSU, DO (R)</td>
</tr>
<tr>
<td>15</td>
<td>Cheques for land compensation</td>
<td>DO(R)/ LAC, E&amp;SSU, DPs</td>
</tr>
<tr>
<td>16</td>
<td>Award of other compensation and assistance along with rehabilitation measures</td>
<td>PMO, E&amp;SSU/CDC DPs</td>
</tr>
<tr>
<td>17</td>
<td>Relocation and reconstruction</td>
<td>PMO, E&amp;SSU, Contractors, DPs, consultants</td>
</tr>
<tr>
<td>18</td>
<td>Income rehabilitation and substitution activities</td>
<td>PMO, E&amp;SSU DPs</td>
</tr>
<tr>
<td>19</td>
<td>ADB approval of subproject contractor mobilization dependent upon LARP implementation</td>
<td>ADB</td>
</tr>
<tr>
<td>20</td>
<td>Review of LARP implementation</td>
<td>E&amp;SSU</td>
</tr>
<tr>
<td>21</td>
<td>Internal monitoring by PIU monthly report to the PMU/PMO and quarterly report to the ADB</td>
<td>PMO E&amp;SSU</td>
</tr>
<tr>
<td>22</td>
<td>External monitoring by biannual reports and submit to the ADB</td>
<td>EM, PMO</td>
</tr>
<tr>
<td>23</td>
<td>External evaluation of the LARP program</td>
<td>EM</td>
</tr>
<tr>
<td>24</td>
<td>Grievance redress and lawsuits</td>
<td>GRC, E&amp;SSU, PMO, DOR/ LAC, DPs, Courts</td>
</tr>
<tr>
<td>25</td>
<td>Interagency coordination</td>
<td>PMO, E&amp;SSU, DOR/ LAC</td>
</tr>
<tr>
<td>26</td>
<td>Communication with DPs</td>
<td>E&amp;SSU</td>
</tr>
<tr>
<td>27</td>
<td>External monitoring of LARP</td>
<td>External Monitoring Agency/External Monitor</td>
</tr>
</tbody>
</table>
XII. BUDGET AND FINANCING

44. The LAR preparation and implementation costs, including cost of compensation and LAR administration, will be considered an integral part of project cost. Each LARP will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and (iii) a cost table for all compensation expenses including administrative costs and contingencies.

45. Funds for compensation, allowances, and administration of LARPs preparation and implementation as well as monitoring will be borne by the Government as its contribution or otherwise agreed between the Government and ADB for each tranche. In order to ensure that sufficient funds are available for LAR tasks, the governments will have to allocate 100% of the cost of compensation at replacement cost and expected allowances estimated in each LARP plus 15% of contingencies before LARP implementation.

46. PID will be responsible for the timely allocation of the funds needed to implement the LARPs. Allocations will be reviewed twice a year based on the budget requirements indicated in the LARPs.

47. All LAR expenses for land and crop compensation will be disbursed through PID (PMO) to the District Officer (Revenue) who in turn, through the LAC will disburse the compensation to the DPs. While in case of compensation for other items, such as documented structures (houses, shops, etc.), house restoration, shops, employment, income loss and subsidized inputs for agriculture, livestock, and fisheries production etc., the compensation will be paid directly from the PMO to the eligible and entitled DP(s) through the assistance from respective Project Implementation Unit (PIU).

XIII. MONITORING AND EVALUATION

48. The land acquisition and resettlement process of each subproject will be monitored both internally and externally. Internal monitoring will be conducted by the EA assisted by the consultants under Tranche 3, as well as other subsequent tranches. External monitoring will be required in cases where livelihood compensation has to be paid and have a significant impact. The aim would be to identify cases where the mitigation measures and compensation are failing to support livelihoods, so that additional measures can be identified to prevent this happening. If and when required, a qualified external monitor will be hired by the PMO and approved by the ADB. The external monitor will be selected among local consultants, NGOs, social research organizations or private sector companies. The frequency of external monitoring will be identified in each LARP depending on the scale and sensitivity of impacts. The PMO will prepare the terms of reference (ToR) for the external monitor before implementation of the LARP commences. However, external monitor will not be needed for payment for cash compensation. In such cases, monitoring can be confined to include only the provision of documents, which demonstrate the conclusion of negotiations with displaced persons and evidences of payments. The baseline socio-economic surveys will provide the benchmark for monitoring. Under the ADB SPS (2009), all monitoring reports will have to be
disclosed to displaced persons. These reports should be submitted for ADB review prior to possessing the land.

49. Projects risks and impacts will determine the extent and frequency of the monitoring activities. The EA will carry out the safeguard measures and implement relevant plans as provided in the legal agreements. Monitoring reports will be prepared monthly, quarterly and annually. The EA is also required to:

   i. establish and maintain procedures to monitor the progress of the implementation of resettlement plans.
   ii. verify their compliance with safeguard measures and their progress toward intended outcomes,
   iii. document and disclose monitoring results and identify necessary corrective and preventive actions in the periodic monitoring reports,
   iv. follow up on these actions to ensure progress toward the desired outcomes,
   v. retain qualified and experienced external monitor or qualified NGOs to verify monitoring information for projects with significant impacts and risks,
   vi. submit periodic monitoring reports (monthly, quarterly and annually) on safeguard measures.

50. The ADB will review project performance against EA’s commitments as agreed in the legal documentation. The extent of ADB’s monitoring and supervision activities will be commensurate with the projects risks and impacts. Monitoring and supervising of social safeguards is to be integrated into the project performance management system. The ADB will monitor projects on an ongoing basis until a project completion report is issued. All monitoring reports will be disclosed to displaced persons.

A. Internal Monitoring

51. In case of temporary or permanent relocation of displaced persons, or provision of livelihood support measures, internal monitoring beyond the provision of evidence of payments of cash compensation will be routinely carried out by the EA. The results of the monitoring will be communicated to ADB through the monthly or quarterly project implementation reports depending on the LARP implementation period. The internal monitoring indicators will include those directly related to the land acquisition process and levels of household well-being/welfare. These indicators need to relate to the change in circumstances before project commencement, during construction and post construction. This information will be collected by the social safeguard unit of the PMO and reported monthly in order to assess the progress and results of the LARP implementation. The LARP may require revisions as demonstrated by the results of the monitoring. The monthly reports will be consolidated into quarterly progress reports as per standard format. The following are the specific times for setting of monitoring/benchmarks data/reports.

   i. During the initial information campaign and consultation with displaced persons.
   ii. At the time of assessment of land acquisition entitlements, and also at the time of compensation payment for land, crops and trees.
   iii. At the time of compensation assessment and payment for affected structures and other non-land, crop and tree assets.
   iv. Immediately after the relocation of displaced persons.
   v. At the time of payments for loss of income.
   vi. During the selection and distribution of replacement land areas.
vii. During and after income restoration activities.

52. Based on the above information, the PMO (E&SSU) will monitor the day-to-day resettlement activities related to subprojects using the following techniques.

   i. Review of census information for all displaced persons.
   ii. Consultation and informal interviews with displaced persons.
   iii. In-depth case studies and establishing baseline data
   iv. Sample surveys of displaced persons.
   v. Key informants interviews.
   vi. Public community meetings.

B. External Monitoring

53. A qualified external monitor will carryout the monitoring of the LARPs implementation those involve significant temporary or permanent relocation of displaced persons or provision of livelihood support measures. The external monitoring results will be communicated in the form of a monitoring report to the PMO and the ADB. Subproject LARPs with implementation timeframes of less than six months will be monitored only once. Subproject LARPs with implementation timeframes longer than six months will be reviewed on bi-annual basis.

54. The external monitoring tasks include the review of internal monitoring reports and survey information, as well as the impact monitoring of LARP implementation, including displaced person and stakeholder consultations. The key issue is to ensure that the results of all monitoring are fed back into the decision making process and then allow modifications of procedures to take place in order to address the issues that have been identified. The drawing up and implementation of a corrective action plan is the method can ensure the resolution of the key issues.

55. The external monitor will also assess the situation of affected vulnerable groups, including female-headed households, with selection based upon consideration of appropriate socio-economic indicators and a review of the LARP implementation process. In the event that displaced persons will need to be relocated, the external monitor will carry out a post-implementation evaluation of the LARP about a year after completion of the respective tranche of the work, in order to ascertain whether the objectives of the LARP were attained. The benchmark data of the socio-economic survey of displaced persons conducted during the preparation of the LARP will be used to compare the pre and post-project conditions. The external monitor will recommend appropriate supplementary assistance for the displaced persons should the outcome of the study show that the objectives of the LARP have not been achieved.
Outline of a Resettlement Plan

This outline is part of the Safeguard Requirements. A resettlement plan is required for all projects with involuntary resettlement impacts. Its level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the resettlement plans.

A. Executive Summary

This section provides a concise statement of project scope, key survey findings, Entitlements and recommended actions.

B. Project Description

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

This section:

i. Discusses the project’s potential impacts, and includes maps of the areas or zone of impact of project components or activities;

ii. Describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;

iii. Summarizes the key effects in terms of assets acquired and displaced persons; and

iv. Provides details of any common property resources that will be acquired.

D. Socioeconomic Information and Profile

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

i. Define, identify, and enumerate the people and communities to be affected;

ii. Describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;

iii. Discuss the project’s impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
iv. Identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

This section:

i. Identifies project stakeholders, especially primary stakeholders;
ii. Describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
iii. Describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;
iv. Summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
v. Confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and
vi. Describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

F. Grievance Redress Mechanisms

This section describes mechanisms to receive and facilitate the resolution of affected persons’ concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

G. Legal Framework

This section:

i. Describes national and local laws and regulations that apply to the project and identify gaps between local laws and ADB’s policy requirements; and discuss how any gaps will be addressed.
ii. Describes the legal and policy commitments from the executing agency for all types of displaced persons;
iii. Outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided.
iv. Describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

H. Entitlements, Assistance and Benefits

This section:

i. Defines displaced persons’ entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
ii. Specifies all assistance to vulnerable groups, including women, and other special groups; and.

iii. Outlines opportunities for affected persons to derive appropriate development benefits from the project.

I. **Relocation of Housing and Settlements**

This section:

i. Describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);

ii. Describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;

iii. Provides timetables for site preparation and transfer;

iv. Describes the legal arrangements to regularize tenure and transfer titles to resettled persons;

v. Outlines measures to assist displaced persons with their transfer and establishment at new sites;

vi. Describes plans to provide civic infrastructure; and

vii. Explains how integration with host populations will be carried out.

J. **Income Restoration and Rehabilitation**

This section:

i. Identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;

ii. Describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);

iii. Outlines measures to provide social safety net through social insurance and/or project special funds;

iv. Describes special measures to support vulnerable groups;

v. Explains gender considerations; and

vi. Describes training programs.

K. **Resettlement Budget and Financing Plan**

This section:

i. Provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation.

ii. Describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items).
iii. Includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs.
iv. Includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

This section:
i. Describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
ii. Includes institutional capacity building program, including technical assistance, if required;
iii. Describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
iv. Describes how women’s groups will be involved in resettlement planning and management.

M. Implementation Schedule

This section includes a detailed, time bound, implementation schedule for all key Resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

N. Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.