

SRI LANKA:
Conflict-Affected Areas Rehabilitation Project

RESETTLEMENT FRAMEWORK

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RESETTLEMENT FRAMEWORK

A. Project Background

1. The Project consists of (i) rehabilitation of about 500 kilometers (km) of national roads; (ii) rehabilitation of the 75 km power transmission line and rural electrification; and (iii) community restoration and development including reconstruction of school buildings, water supply, sanitation, irrigation schemes, community access roads, and livelihood restoration.
2. All proposed project subprojects fall either under Category B¹ or C (no impacts). No indigenous peoples will be affected, as the Project is designed to ensure that all communities, on an equitable basis, will benefit from the Project. The Project will address the special needs of minority communities in the context of their social and cultural systems. As part of the selection criteria, subprojects that may entail significant impacts will not be included. The Project will be implemented under a sector approach, therefore, the following resettlement framework was agreed upon between the Government and the Asian Development Bank (ADB) to guide the Government in preparing a resettlement plan (RP) should it be found to be necessary during implementation.

B. Policy Framework and Entitlements

3. The resettlement framework aims to ensure that screening, planning, and management procedures for involuntary resettlement on all subprojects will be in compliance with ADB's Policy on Involuntary Resettlement and other ADB social safeguard policies.
4. This policy framework has been built upon the existing laws of the land, Electricity Act No. 17 1969 and amendment, National Involuntary Resettlement Policy (2001)², and ADB's resettlement policy. The policy principles adopted are as follows:
 - (i) Avoid, minimize, and mitigate negative land acquisition and resettlement impacts by reviewing alternatives to the Project.
 - (ii) If involuntary resettlement is unavoidable, the displaced persons should be helped to re-establish themselves and improve their quality of life.
 - (iii) Gender quality and equity should be ensured and adhered to throughout the policy.
 - (iv) Affected persons should be fully involved in the selection of relocation sites, livelihood compensation, and development options at the earliest opportunity; cash compensation will be used since the Project will only require a small amount of land.
 - (v) Compensation for loss of land, structures, and assets should be based on full replacement cost³ (including transaction costs) and should be paid promptly.

¹ Not Significant impacts. It means fewer than 200 people are displaced from housing, fewer than 200 people will lose less than 10% of their productive assets, or 200 people or more will experience only minor impacts. A short resettlement plan will be required for each Category B subproject.

² To assist the relevant agencies in planning, implementing, monitoring, and evaluating all involuntary resettlement impacts, the following guidelines are provided: i) General Guidelines on Planning and Implementation of Involuntary Resettlement; (ii) Guidelines for the Preparation of a Resettlement Action Plan; (iii) Process Manual for the Implementation of the NIRP; and iv) Guidelines for a Participatory Resettlement Process.

- (vi) Resettlement should be planned and implemented with full participation of the provincial and local authorities.
- (vii) Help those affected to be economically and socially integrated into the host communities; participatory measures should be designed and implemented.
- (viii) Common property resources and community and public services should be provided.
- (ix) Resettlement should be planned as a development activity.
- (x) Affected persons who do not have documented title to land should receive fair and just treatment.
- (xi) Vulnerable groups should be identified and given appropriate assistance to substantially improve their living standards.
- (xii) The Government should bear the full costs of compensation and resettlement.

5. Persons affected by the Project will be entitled to various types of compensation and resettlement assistance that will help in the restoration of their livelihoods, at least, to the pre-project standards as shown in the following matrix.

Entitlement Matrix

| Type of Losses | Entitlement | Implementation Issues |
|--|---|---|
| Temporarily affected land (during construction) | <ul style="list-style-type: none"> • Rental payment during the temporary use of affected person's land. | The land will be restored to its previous or better quality. |
| Permanent loss of land (with land title/ownership records) | <ul style="list-style-type: none"> • Cash compensation will be used since the Project will only require small amount of land. | Payment of land will be made available to the divisional secretaries as soon as the Ministry of Finance approves the proposal for payment of compensation. |
| Loss of crops and trees by cultivators regardless of the land ownership | <ul style="list-style-type: none"> • Cash compensation for loss of crops at replacement cost. If sown or standing crops are damaged or uprooted, the owner of the affected crops will be compensated in cash for the loss of unharvested crops, at the mature crop value to be assessed on the basis of current market rates. • Compensation for loss of fruit trees at replacement cost will be based on the present income and crop-bearing capacity. | The trees/crops are identified and listed by the <i>gram niladharis</i> (village-level government agents). The trees are valued by specialized agencies such as the Coconut Development Board, Rubber Research Institute, and divisional secretaries. |
| Loss of structures and immovable assets by owners (regardless of the land title) | <ul style="list-style-type: none"> • Compensation for structures/assets will be at full replacement costs without deduction for depreciation/ salvageable materials. The cost will include transportation and labor costs. | Owners of affected structures will be allowed to take/reuse all the salvageable materials for rebuilding/rehabilitation of the structure. |
| Restoration of cultural/community structures | <ul style="list-style-type: none"> • Complete restoration work or cash compensation will be offered for rehabilitation/rebuilding of affected common property resources and cultural/structures/ installations. | To be paid to the formal or locally recognized patrons/users' group leaders. |

³ Replacement cost means the cost of replacement of lost assets and income. If land, it means the cost of buying a replacement land near the lost land with equal productive potential plus the cost of preparing the land to levels similar to those of the affected land and cost of any registration and transfer taxes. If structures, it means current market value of building materials, required labor without deduction for depreciation and/or salvageable materials. For crops and trees, it will be based on economic production, age, and type.

C. Procedures

6. For the Category B subprojects, the following checklist needs to be answered and attached to subprojects proposals:

- (i) Will the subproject require land? What is the quantity of land required?
- (ii) Will the impact be permanent or temporary (during construction)?
- (iii) Who owns the land? How is land currently used?
- (iv) If private land, how many landowners/tenants/sharecroppers will be affected?
- (v) If state land, is it subject to customary claim?
- (vi) If state land, are there any squatters or encroachers?
- (vii) Are there any houses, structures, trees and crops that will be affected?
- (viii) How many households will be physically displaced? Can they move back to the residual land?
- (ix) Are there any public or community infrastructures?
- (x) Will indigenous peoples be adversely affected?

7. In preparing the resettlement plan, the following procedures must be followed:

- (i) Carry out consultations with various stakeholders to obtain their views on how to avoid or minimize adverse impacts, prepare the resettlement plan, and identify the needs and preferences of affected persons.
- (ii) Undertake census (100% coverage), asset inventory, and detailed measurement surveys. A socioeconomic survey of sample population will also be undertaken.
- (iii) Analyze data to identify different categories of affected persons based on the degree and scale of impacts of the subproject.
- (iv) Formulate time bound schedule for resettlement plan implementation, procedures for grievance redress, monitoring and evaluation procedures, and budget.
- (v) Prepare a draft plan following the entitlements matrix (para. 5). If there are new categories of affected persons and types of losses are identified, the entitlements will be included in accordance with ADB's policy on involuntary resettlement.
- (vi) Translate into local languages and present the draft subproject resettlement plan during consultation and public meetings for comments. The final plan will incorporate the comments and suggestions of the affected communities.
- (vii) Submit the resettlement plan to ADB for review and concurrence. The approved subproject plan will be implemented before the award of construction contracts.

D. Implementation Arrangements, Consultation, and Grievance Mechanisms

8. The implementing agency for the road component will be the Road Development Authority, for the power component will be the Ceylon Electricity Board, and for community restoration component will be the North East Provincial Council, which will also be responsible for overall coordination of the Project. Screening of subprojects, preparation, implementation, and monitoring of subproject resettlement plans will be the responsibility of the concerned implementing agencies through their respective project management units (PMUs), under the overall coordination of the project coordinating committee, which will be established within the North East Provincial Council.

9. The subproject resettlement plans, if required, will be based on consultation with affected persons and local government representatives, an appropriate census, and an inventory of losses. Grievances will be handled by the respective divisional secretary with the assistance of the *gram niladharis* (village level government agents) and PMUs. Resettlement Plans will be disclosed through the PMU field offices and local *gram niladharis* offices. Each implementing agency will carry out its own internal monitoring activities and will submit quarterly reports to the project coordinating committee and to ADB; they will include progress on planning and implementation of resettlement plans.

E. Cost Estimates and Financing

10. The associated costs of land acquisition and resettlement, if any, will be included in the overall project costs. The estimate will include measures for (i) planning and budgeting for land acquisition and resettlement costs, annual budget, and sources of funding; (ii) arrangements for approval of resettlement plan cost estimates; and (iii) the flow of funds to reach people affected.