

# Resettlement Planning Document

---

Land Acquisition and Resettlement Framework  
Document Stage: Final Version  
Project Number: 39364  
September 2007

## Pakistan: Barani Integrated Water Resources Sector Project

Prepared by Punjab Irrigation and Power Department for the Asian Development Bank (ADB).

The land acquisition and resettlement framework is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

## **CURRENCY EQUIVALENTS**

(As of 15 September 2007)

Currency Unit	–	Pakistan rupee/s (PRs)
PR 1.00	=	US\$0.0164
\$1.00	=	PRs60.63

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
AP	–	Affected Person
APC	–	Affected Persons' Committee
CBO	–	Community-Based Organization
DOR	–	District Officer (Revenue) (see also LAC)
EA	–	Executing Agency
EIA	–	Environmental Impact Assessment
EMA	–	External Monitoring Agency
EPA	–	Environmental Protection Agency
IMO	–	Impact Monitoring Officer
IPD	–	Irrigation and Power Department
IPDF	–	Indigenous Peoples Development Framework
IPDP	–	Indigenous Peoples Development Plan
LAA	–	Land Acquisition Act, 1894 (amended)
LAC	–	Land Acquisition Collector (see also DOR)
LAR	–	Land Acquisition and Resettlement
LARF	–	Land Acquisition and Resettlement Framework
LARP	–	Land Acquisition and Resettlement Plan
LARS	–	Land Acquisition and Resettlement Section
LCC	–	LAR Coordination Committee
LSC	–	LAR Steering Committee
M&E	–	monitoring and evaluation
NGO	–	Non-Governmental Organization
PDD	–	Planning and Development Department
PEPA	–	Pakistan Environmental Protection Act
PIU	–	Project Implementation Unit
PMS	–	Project Monitoring Section
PMU	–	Project Management Unit
PPTA	–	Project Preparatory Technical Assistance
SDO	–	Small Dams Organization
TA	–	Technical Assistance

## DEFINITION OF TERMS

<b>Affected Household</b>	All persons residing under one roof and eating from the same kitchen, who are adversely affected by the Project, or any of its components, may consist of a single nuclear family or an extended family group
<b>Affected People</b>	Any person affected by loss of assets or income due to Project-related changes in the use of land, water or other natural resources
<b>Compensation</b>	Cash or in-kind payment of the replacement cost of an asset lost due to Project-related impacts
<b>Entitlement</b>	Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation, which are due to affected people, depending on the nature of their losses, to restore their economic and social base
<b>Host Population</b>	Community residing near the area where the APs are relocated
<b>Income Restoration</b>	Reestablishment of income sources and livelihoods of APs
<b>Involuntary Resettlement</b>	Unavoidable resettlement losses as a consequence of development projects, compelling APs to rebuild their lives, incomes and asset bases elsewhere
<b>Land Acquisition</b>	The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for compensation
<b>Rehabilitation</b>	Compensatory measures provided under the ADB Policy Framework on Involuntary Resettlement other than payment of the replacement cost of acquired assets
<b>Relocation</b>	The physical resettlement of an AP from her/his pre-Project place of residence
<b>Replacement Cost</b>	The value determined to be fair compensation for various types of agricultural and residential land, crops, trees, and other commodities based on current market rates; the cost of rebuilding houses and structures at current market prices of building materials and labor, without depreciation or deductions for salvaged building material
<b>Social Preparation</b>	Process of consultation with APs undertaken before key resettlement decisions are made, to build their capacity to deal with resettlement
<b>Usufruct</b>	The right to use and profit from land belonging others or a larger social entity, such as a tribe, community of collective
<b>Vulnerable Groups</b>	Distinct group of people who may suffer disproportionately from resettlement effects

## I. INTRODUCTION

1. The Barani Integrated Water Resources Sector Project (BIWRSP) (the Project) aims to increase the social and economic development of the rural population in the Potohar region of the *barani* (rainfed) areas of the Punjab Province in Pakistan by introducing sustainable irrigated agriculture and providing water for domestic and other uses. BIWRSP will implement a number of subprojects in four district of the province which comprise (i) dams and associated irrigation systems, (ii) domestic water supplies and sanitation, (iii) improved watershed management, and (iv) agricultural support services.

2. The Project will be implemented by the Punjab Irrigation and Power Department (PIPD). The project implementation will be managed by a provincial Project Management Unit (PMU) and civil works construction at the subproject level by the respective PIPD Small Dam Organization (SDO) Divisions

3. The land acquisition and resettlement framework (LARF) provides the policy and operational guidelines for the implementation of land acquisition and resettlement tasks arising from related impacts of the subprojects under the Project, including (i) land acquisition, (ii) acquisition of physical structures and utilities, (iii) loss of livelihoods due to temporary or permanent loss of access to land or other productive assets, and (iv) loss of common/community property resources. Special provisions for vulnerable affected people (APs) and women are made as well. The legal, institutional and implementation framework for the compensation of lost assets, livelihoods, community property and the resettlement and rehabilitation of project affected people are outlined. In particular, the eligibility criteria for APs, entitlements, modes of compensation and rehabilitation, participation and consultation procedures and grievance redress mechanisms are defined. Steps for the preparation and implementation of land acquisition and resettlement plans (LARP) for subprojects are indicated. This LARF is designed in accordance with the ADB *Policy on Involuntary Resettlement* of 1995 and the applicable laws and regulations of Pakistan and respective Province.

### A. Screening and Approval of Subprojects

4. The appraisal and the approval and inclusion of subprojects under the Project will require the preparation of several documents and adherence to approval conditions set out below.

#### 1. Process and Documentation

5. The LARF is required for the whole Project and its provisions and stipulations are applicable to all subprojects. The LARF will be reviewed, if necessary, updated at least annually and always at the start of the preparation of (a) new subproject(s).

6. A LARP is required as a condition of appraisal for each subproject involving LAR impacts. The LARP will detail the compensation measures adopted and their costs, the administrative costs and an implementation schedule. The type of LARP to be prepared and its detail and complexity depends on the impact severity experienced in a subproject (see section 2.). The reconnaissance visits of proposed subprojects by the BIWRSP team determine whether LAR impacts will occur and a LARP is required.

7. In accordance with the provisions of the ADB *Operations Manual Section F2* (2006) *Operational Procedures on Involuntary Resettlement*, sector loans such as the BIWRSP, require the preparation of a LARP for each core subproject during the PPTA stage and before the first

Management Review Meeting (MRM) appraising the loan. Within the overall scope of the LARF, the core-subproject LARPs serve as models for subsequent subprojects.

## 2. Categories of Impact Severity

8. The ADB policy (*Operations Manual Section F2 2006*) determines the impact severity of involuntary resettlement according to three categories with specific planning requirements. These are outlined in Table 1:

**Table 1: Subproject Categorization and Resettlement Planning Requirements**

Category	No. of Affected People	Resettlement Impact	Planning Requirement
A	200 or more people experience major impacts, defined as (i) Physical displacement from housing OR (ii) Loss of 10 % or more of their productive assets	Significant	Full LARP <sup>1</sup>
B	Less than 200 people experience major impacts	Not significant	Short LARP
C	No loss of assets and incomes or displacement	None	No LARP

## 3. Subproject Approval Conditions

9. The approval of the implementation of subprojects of the Project will be conditional to:

- (i) the preparation of a LARP reflecting final impacts, AP lists and final compensation rates; and
- (ii) full implementation of the LARP (full delivery of compensation and other cash entitlements) for the relevant subproject.<sup>2</sup>

Such a condition will be clearly spelled out in the civil works contract and will be a mandatory condition to the issuance of the notice to proceed to the contractor.

10. To meet the above requirements the EA has (i) prepared this LARF and (ii) fully designed and prepared the LARP for the Kot Fateh Khan Core-Subproject.

## II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT IMPACTS

### A. Severity and Types of Potential Impacts

11. The ADB TA Fact-Finding Mission classified the sector project as a whole as category A (significant impact), noting that resettlement and environmental impacts of small dams are case-specific, ranging from negligible to significant.

<sup>1</sup> Recommended outlines for the full and short resettlement plan and brief descriptions of associated themes and activities can be found in the following sources:  
ADB. 1998. Handbook on Resettlement: A Guide to Good Practice. Manila. Downloadable PDF file at [http://www.adb.org/Documents/Handbooks/Resettlement\\_Summary/default.asp](http://www.adb.org/Documents/Handbooks/Resettlement_Summary/default.asp)  
ADB. Format and Scope of a Full Resettlement Plan and Short Resettlement Plan. Downloadable PDF file at <http://www.adb.org/Resettlement/resources.asp>

<sup>2</sup> See section III E of the LARF.

12. The following types of assets may be expected to be affected by land acquisition and resettlement impacts:

- (i) Agricultural and non-agricultural land, much of which is privately owned and supports the livelihoods of rural households;
- (ii) Private and public structures and utilities, including, among others, residential houses, fish ponds, wells, water supply schemes, cemeteries, and roads and foot paths;
- (iii) Livelihoods through the loss of crops and trees, of businesses and employment, and grazing resources.

13. Significant differences in the severity of impact may be expected between the dam and reservoir on one hand and the main canal and its branches on the other. Accordingly, the LARP for the subprojects will conceptually distinguish the two sources of impact and present all information on reservoir and main canal impacts separately. All other impacts would be more limited and in some cases temporary.

- (i) The impact of construction of small dams and inundation of land by reservoirs is far reaching in scope, involves the loss of entire or large proportions of assets, and affects people who may or may not be among the beneficiaries of the subprojects.
- (ii) The construction of the main canal and its branches has a more limited impact due to a number of factors:
  - a. The affected people would, in many if not most cases, be direct beneficiaries of the irrigation systems;
  - b. Land adjacent to the main canals would be at a relative advantage in terms of groundwater availability and increased property values;
  - c. Channel alignments are required to circumvent habitations as much as feasible, to minimize impact on homesteads, as well as commercial, public and agricultural structures.
  - d. The narrow impact zone of the water channels will necessitate the acquisition of smaller proportions of properties.
- (iii) The construction of water supply schemes at subprojects will also be limited in impact, due to the narrow right of way required by pipelines, which can as much as possible be laid along the irrigation canals and water courses. Pumping and filtration facilities would be located in the reserved areas alongside reservoirs.
- (iv) The construction or widening of access roads to the dam construction sites may have permanent or temporary impacts which require compensation.
- (v) Temporary damage to and loss of land due to construction activities and transport of heavy equipment and materials can be reversed.
- (vi) The watershed management will not have resettlement impact as they consist of (i) small sediment trapping infrastructure to be installed directly in the bed of the river upstream the dams; (ii) delimitation of protected areas (without fencing) on main erosion spots for tree plantation on the side and upstream the dam; and (iii) on farm participatory soil conservation measures. Maintaining the protected area would be a shared responsibility between SDO, Forest Department and the owners/communities. The Forest Department would get official management responsibility if the owners agree to have the area being declared a 'Section 38 area' of the Forestry Act (1927), where a government agency will be responsible for the management planning and supervision and where owners obtain the usufruct rights. Under this regulation, owners voluntarily put their area under this act and cooperate with the government agency on its management and controlled use. The rivers' beds where the sediment trapping infrastructure will be built are not usable for productive activities as they are regularly flooded. In addition, they are not owned privately under Pakistan. The on-farm soil conservation to reduce erosion from farmer fields will be implemented in a

voluntary basis and will require 10% contribution to the cost from the owner's side. Among others, techniques used will consist of construction of terraces, change in tilling practices and planting of trees on the edge of the fields. These actions will primarily benefit the farmers as it will significantly reduce the erosion of the fertile top soil and the loss of portions of field into the streams.

- (vii) Agriculture extension activities will consist of provision of training to farmers and demonstration plots on irrigated agriculture and improved rain-fed agriculture on volunteer farmers' fields. These types of activities do not trigger any LAR issues.
- (viii) The subprojects may have downstream impacts on water availability to water supply schemes, lift irrigation and other water users depending on the normal pre-project seasonal stream flow of ephemeral or perennial streams, as the case may be.

## **B. Indigenous People**

14. No impacts on indigenous people are expected. The four districts of Attock, Rawalpindi, Jehlum, and Chakwal have no population fitting ADB's definition of indigenous people.

## **C. Vulnerable Households**

15. Based on the findings of the Poverty and Social Assessment of two core subprojects under the Project, vulnerability indicators were established to identify vulnerable people and their households among APs. Vulnerable households are those with one or a combination of the following conditions:

- (i) PRs1,500 or less per capita per month income;
- (ii) Landlessness or access to less than 20 kanal of cultivated rainfed land;
- (iii) Female headed households without sons or other males contributing cash income or agricultural labor;
- (iv) Disabled heads of households without sons or other males contributing cash income or agricultural labor;
- (v) Elderly heads of households without sons or other males contributing cash income or agricultural labor.

16. Their special needs will be identified in the socio-economic survey and subsequent inquiries and measures will be taken to safeguard against impoverishment and to reduce their vulnerability. The reestablishment and enhancement of their livelihoods through micro-credit and capacity building support, in addition to direct cash subsistence allowances, will be ensured.

## **D. Gender Impact**

17. To ensure a clear understanding and due consideration of the specific needs and problems of women APs and to safeguard their livelihoods, a number of gender provisions will be adopted by the land acquisition and resettlement process of the Project:

- (i) Women will receive compensation pertaining to their economic activities in their name.
- (ii) Female heads of households will be registered as the recipients of compensation and rehabilitation measures due to their households.
- (iii) Land titles for and use rights of replacement land will be registered in the name of women, when land lost to the project was legally owned by women.
- (iv) Women will be included in the participation process through women meetings and, if culturally feasible, in all consultation meetings alongside male APs.
- (v) Due consideration is to be given to complaints and grievances lodged by women APs in the LAR process.

- (vi) Access for women to project related employment opportunities and targeted needs based special assistance and provision of alternative livelihoods will be guaranteed.
- (vii) The project will also ensure the inclusion of female government officials in coordinating committees facilitating the LAR process, and the inclusion of female staff in the LARS.
- (viii) In the design of the components of subprojects particular attention will be paid, among others, to development needs and priorities voiced by women respondents during the consultations for the Poverty and Social Assessment, which fall within the purview of the project.

### III. LEGAL AND POLICY CONTEXT

#### A. Pakistan's Laws and Regulations

18. The acquisition of land and other property in the public interest and ensuing procedures for compensation are governed by the 1894 Land Acquisition Act (LAA) and its subsequent federal and provincial amendments. After public notification and on the basis of an assessment of impacts and the valuation of affected assets by the District Land Acquisition Collector (LAC), the LAA stipulates only the compensation in cash at market rates of land and crops to titled landowners and tenants registered with the Land Revenue Department or possessing formal lease agreements. Land valuation is customarily based on recent 3 to 5 year averages of registered land sales rates. A 15 percent compulsory land acquisition surcharge is added as provided under the LAA. The LAA procedures, requires consultation with the affected people before the compensation awards (section 5A of the LAA) and at the moment of the awards (section 9 and 11 of the LAA) but leaves the final decision in the hands of the district governments.

19. The framework of the LAA is generally considered to be too narrow and incapable of adequately safeguarding and rehabilitating the livelihoods of all affected people. Consequently, the local practice of the law has been more elastic and a National Resettlement Policy and Resettlement Ordinance in 2002 with a wider scope of eligibility and entitlements was drafted. However, the national policy and ordinance have yet to receive government approval and be enacted. In the meantime, the needs and rights of adversely affected non-titled people legitimately owning or using land, non-registered tenants, businesses and wage workers have been taken into consideration in *ad hoc* arrangements negotiated between project executing agencies and APs in various specific projects in recent years, including rehabilitation in the form of replacement plots or cash, payment of resettlement costs and assistance for livelihood restoration.

#### B. ADB Involuntary Resettlement Policy

20. By contrast to the 1894 LAA, the ADB *Involuntary Resettlement Policy* requires the consultation and full compensation and rehabilitation of all adversely APs as an integral part of ADB financed projects. The following core principles and provisions characterize the policy:

- (i) Land acquisition and resettlement should be avoided or minimized as far as possible.
- (ii) If necessary, APs, households and communities should be assisted in the form of compensation, relocation and rehabilitation.
- (iii) The ADB policy recognizes the usufruct rights of non-titled people by stating that "the absence of a formal legal title is no bar to ADB policy entitlements".
- (iv) APs should be at least as well off as they would have been in the absence of the project and possibly better off. Therefore, opportunities must be sought for APs to become beneficiaries who share project benefits.



- (v) Assets lost should be compensated at the full replacement cost in addition to assistance and allowances for relocation and maintaining and restoring livelihoods.
- (vi) To prevent the impoverishment of affected vulnerable groups, the landless, sick, disabled, elderly and poor female-headed households must be assisted to improve their socio-economic status through livelihood restoration or substitution, as well as subsistence allowances.
- (vii) Compensation procedures will equally consider the rights and entitlements of women and men.
- (viii) APs and their representative committees will be closely consulted about compensation and rehabilitation options, fully informed about choices, plans and implementation options, involved in negotiations, planning and implementation, and provided with grievance redress mechanisms.
- (ix) The full resettlement costs are included in the costs of the project and may be considered for inclusion in ADB loan financing.
- (x) Physical project implementation works can only commence upon completion of compensation and rehabilitation measures.
- (xi) Local socio-cultural institutions will be supported/used in planning and implementing the compensation rehabilitation program.

21. Thereby, the ADB policy seeks a proactive approach to LAR, which is people centered and fair, and prevents project bottlenecks arising at later stages from lengthy grievance redress litigation.

### C. Comparison of Key LAA and ADB Policy Principles and Practices

22. Table 2 indicates differences in key principles and practices under the LAA and ADB policy.

**Table 2: Comparison of Pakistan's LAA and the ADB Involuntary Resettlement Policy**

<b>Pakistan 1894 Land Acquisition Act</b>	<b>ADB Involuntary Resettlement Policy</b>
Land compensation only for titled landowners or holders of customary rights.	Lack of title should not be a bar to compensation and/or rehabilitation, and non-title-holders are to be rehabilitated.
Crop losses compensation provided only to registered landowners and lease/sharecrop tenants (Non-registered are often deprived).	Crop compensation is provided to landowners and sharecrop/lease tenants according to their shares whether they are registered or not.
Tree losses are compensated on the basis of officially fixed rates by the Forest and Agricultural/Horticulture departments	Tree losses are compensated according to actual worth of affected trees based on market rates.
Land valuation based on the median registered land transfer rate over the previous 1 year before establishment of Chapter 6.	Land valuation to be based on current replacement (market) value and valued within 1 year before the delivery of compensation
Valuation of structures based on official rates, with depreciation deducted from gross value of the structure.	Valuation of built-up structures is based on current market value/cost of new construction of the structure
Land Acquisition Collector (LAC) is the only pre-litigation final authority to decide disputes and address complaints regarding quantification and assessment of compensation for the affected lands and other assets	Complaints and grievances are resolved informally through community participation in the Grievance Redress Committees (GRC), local governments, NGO and/or local-level community based organizations
The decisions regarding land acquisition and the amounts of compensations to be paid are published in the official Gazette and notified in convenient places so that the people affected get aware of the same	Information related to quantification and costing of land, structures and other assets, entitlements, and amounts of compensation and financial assistance are to be disclosed to the affected persons prior to project appraisal.
No provision for income/livelihood rehabilitation measure, allowances for severely affected APs and vulnerable	ADB policy requires rehabilitation for income/livelihood, for severe losses, and for expenses incurred by the APs during

<b>Pakistan 1894 Land Acquisition Act</b>	<b>ADB Involuntary Resettlement Policy</b>
groups, or resettlement expenses	the relocation process.

#### **D. LAR Principles Applicable to the Project**

23. To bridge the gap between current legal principles and practices and the policy requirements of the donor indicated in Table 2, and to avoid differential *ad hoc* arrangements by local governments for the various subprojects, the Executing Agency drafted this LARF for the Project. Thereby, a commitment to the following principles is made:

- (i) All affected assets will be compensated at replacement cost.
- (ii) Titled and non-titled owners but legalizable owners under the Pakistani laws as well as registered and unregistered agricultural land tenants in the official land revenue record will be compensated and rehabilitated (lack of legal title is no bar).
- (iii) Allowances for relocation, income losses from business or employment, and severe adverse impact will be provided.
- (iv) The livelihoods of all APs will be rehabilitated
- (v) The livelihoods of affected vulnerable groups will be enhanced.
- (vi) APs will be included in the LAR process through community consultation and participation.
- (vii) All relevant LAR information will be publicly disclosed before final decisions on Project measures, including LAR, are made.
- (viii) An accessible grievance redress mechanism will be instituted.

24. Detailed criteria, procedures and mechanisms for the implementation of these principles applicable to the Project will be spelled out in the remainder of this LARF.

#### **E. Conditions to the Commencement of the Physical Works**

25. As per ADBs' resettlement policy requirement, the notice to proceed to the contractor for the implementation of the physical works of a subproject shall not commence until all compensations and others cash entitlement have been fully paid to the APs. Under the Project context, this condition is considered to be achieved when the tasks listed under paragraphs 26 and 27 have been successfully undertaken by the LAC and the EA following the mechanism provided by the law for fair award proposal.

26. The tasks that need to be completed under the responsibility of the dedicated LAC with the participation and collaboration of the EA are as follows:

- (i) Awards are announced by the LAC on the site and surrounding villages and written notice is sent to each APs and contain the following information: (a) area of the land to be acquired; (b) unit compensation rates and total amount for the affected land, crops, trees, building and any other item eligible for compensation under the Pakistani legal framework;<sup>3</sup> (c) names and eligibility status of the APs to be compensated.<sup>4</sup>
- (ii) A buffer period of 60 days is respected to allow people to notify the LAC whether they accept or not the awards and in the latter case send a written application to request that his case is referred to the court.<sup>5</sup>

<sup>3</sup> As per section 23 and 24 of the LAA 1894.

<sup>4</sup> As per section 5A, 9 and 11 of the LAA 1894.

<sup>5</sup> As per section 18 of the LAA 1894.

- (iii) The LAC has tendered payment of the full amount of the compensation to all APs that have accepted the award.
- (iv) For all the APs who did not accept the awards, the LAC has sent a written statement to the court which should contains the following: (a) location and description of the land including, area, trees, standing crops and buildings; (b) the name of the APs and eligibility status; (c) the amount awarded for damages and paid; (d) the ground on which the amount of compensation was determined. The written application submitted by the AP and a note giving the details of the notices served upon shall be attached to the statement.<sup>6</sup>
- (v) The LAC has deposited in the court accounts the amount of the compensation of all APs that did not consent to accept the payment of the proposed awards.<sup>7</sup>

27. The tasks relative to the compensation of provisions that are not included in the law will be completed by the Executing Agency. These tasks are as follows:

- (i) The compensation of provisions that are beyond the law is announced by a PIPD representative on the site and surrounding village and through written notification to each AP providing the following information: (a) AP name, eligibility, status, (b) nature of the compensation, and (c) compensation unit and total amount to be paid.
- (ii) All LARF compensation and rehabilitation measures not covered under the Law are paid to all APs accepting the proposed provision,
- (iii) Compensation for APs that do not accept the proposed provision, are kept in an escrow account (gaining interest) until the judge has made a decision regarding the compensation due to them by the LAC.

#### **IV. COMPENSATION ELIGIBILITY AND ENTITLEMENTS**

28. In line with the laws and regulations of Pakistan and the ADB policy, all LAR tasks of the Project will be implemented in accordance with the eligibility and entitlement framework detailed in sub-section IV.A and IV.B and outlined in the entitlement matrix in Table 3. Each subproject LARF will list the actual compensation measures adopted on the basis of the entitlements stipulated in this LARF.

##### **A. Eligibility**

29. The following APs are eligible for LAR compensation entitlements under the Project for their loss of assets and incomes:

- (i) Titled and non-titled but legalizable owners under the Pakistani laws of agricultural and residential & commercial land, including individuals and groups, as well as communities with common property resources, such as *shamilat*;
- (ii) Non-titled users of agricultural and residential & commercial land, including individuals and groups, as well as communities with common property resources, such as *shamilat*;
- (iii) Registered and un-registered in the official land revenue record sharecroppers and lease tenants of agricultural land;
- (iv) People actually occupying agricultural land which does not belong to them legally or customarily;
- (v) Renters and leaseholders of bare commercial land;
- (vi) Titled and non-titled owners of residential, agricultural & commercial structures and utilities;

---

<sup>6</sup> As per section 20 of the LAA 1894.

<sup>7</sup> As per section 31 (2) of the LAA.

- (vii) Renters and leaseholders of residential, agricultural & commercial structures and utilities;
- (viii) Communities, as well as relevant public or civil society institutions, owning or possessing public or communal structures and utilities;
- (ix) Owners and cultivators of crops and trees;
- (x) Communities with customary rights in common resources, such as grazing and firewood;
- (xi) Businesses and micro-enterprises, employees and wage workers; and
- (xii) Vulnerable groups, including poor female households, disabled, elderly and/or landless people.

30. Eligibility for compensation is limited by a cut-off date determined for each subproject as the starting date of the census of affected people. The cut-off date will be announced in public through the mass media.

31. People who settle in the affected areas after the cut-off date are not eligible for compensation. However, they will be given sufficient advance notice prior to commencement of physical project works to vacate premises and dismantle affected structures. Their dismantled structures cannot be confiscated and they will not be fined or otherwise penalized. Forced displacement will only be considered after exhaustion of all other means.

## **B. Entitlements**

32. The following entitlements are stipulated for the compensation of lost land, structures and utilities, and livelihoods, in addition to special provisions for vulnerable APs. All relevant entitlements to compensation apply equally to affected assets and incomes in the catchment, dam and reservoir area, command area and downstream sites.

### **1. Agricultural Land**

33. Cultivable land (*maira*) and uncultivable wasteland (*ghair mumkin*) will be clearly distinguished among agricultural lands, as these have different status, uses and value with consequences for the determination of compensation. Cultivable land not cultivated for a number of years will still be treated as *maira*, based on its registered status with the land revenue officer. However, land not formally classified as cultivable, but with clear evidence of cultivation will also be compensated as cultivable land.

34. The following entitlements apply to all agricultural land irrespective of the severity of impact:

- (i) For permanent land losses titled and non-titled owners will be compensated either by means of cash at replacement cost, based on current market value, plus a 15 percent compulsory land acquisition surcharge and free of taxes, as well as of registration and transfer costs; or via land for land compensation through provision with plots of equal value and productivity as the lost asset.
- (ii) For temporary land losses, owners will be compensated through 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. Contractors will be required to carry out restoration works.
- (iii) Communities with customary or registered rights to common property resources, such as *shamilat* land, can decide on one of at least two apportionment options of cash compensation for lost common property land. Option 1 would be to deposit the cash compensation in a bank account of a registered Community Project Consultation

Committee and dedicate it to the community-managed operation and maintenance of the irrigation system (if the APs are also the beneficiaries of the irrigation system) and/or other development projects in the affected community. Option 2 would be the distribution of the cash compensation among affected groups, clans and households according to a modus agreed between the community members and the PMU and supervised by PMU staff and the project consultants. Other options can be considered in a participatory community consultation process.

- (iv) For permanent land losses registered and unregistered sharecrop, tenants will be compensated through cash compensation equal to the market value of the applicable share of 2 lost harvests. For temporary land losses they will be compensated through cash compensation equal to the market value of the applicable share of 1 lost harvest.
- (v) For land losses registered and unregistered lease, tenants will be compensated through the cash equivalent of the market value of the gross yield of the lost land for the remaining lease years up to a maximum of 3 years.
- (vi) For land losses people in actual occupation of agricultural land without legal or customary rights will be compensated through a rehabilitation allowance equal to the market value of the harvest of the lost land for 1 year (*rabi* and *kharif*) in addition to the standard crop compensation.

35. Additional provisions will be made for severe impacts defined as the loss of more than 10 percent of the owner's or the cultivator's total cultivable land:

- (i) Titled and non-titled owners but legalizable under Pakistani laws or registered and unregistered agricultural land lease tenants in the official land revenue record will be entitled to 1 severe impact allowance equal to the market value of the harvest of the lost land for 1 year (*rabi* and *kharif*) in addition to the standard crop compensation. Such contribution might be added with additional rehabilitation provision to be defined in the LARP based on the specific sub-project situation and AP consultation.
- (ii) Registered and unregistered sharecrop tenants will be entitled to 1 severe impact allowance equal to the market value of the applicable share of 1 harvest of the lost land in addition to the standard crop compensation.
- (iii) People occupying agricultural land without legal or customary rights will be entitled to 1 severe impact allowance equal to the market value of the gross harvest of the lost land for one year (*rabi* and *kharif*).

## **2. Residential and Commercial Land**

36. The following entitlements apply to all residential and commercial land:

- (i) Titled and non-titled owners are compensated by means of either cash compensation for lost land at the replacement cost based on the market value of the lost land plus a 15% compulsory land acquisition surcharge free of taxes, as well as of registration and transfer costs; or via land for land compensation through provision of plots of comparable value and location as the lost asset.
- (ii) Renters or leaseholders of bare land are compensated by means of cash compensation equivalent to 4 months of rent or a value proportionate to the duration of the remaining lease.

## **3. Residential, Agricultural and Commercial Structures and Utilities**

37. The loss of residential, agricultural and commercial structures and utilities including, among others, houses, business premises, wells and ponds, will be compensated as follows:

- (i) For the complete loss of a structure or utility titled and non-titled owners are entitled to cash compensation at the full replacement cost for the affected structure and other

fixed assets without deductions for salvageable materials, depreciation and transaction cost.

- (ii) For the partial loss of a structure or utility titled and non-titled owners are entitled to cash compensation of the full replacement value of the lost proportion of the structure and full cash assistance to restore the remaining structure.
- (iii) Owners of affected structures are allowed to take and reuse salvageable materials for building and rehabilitation of structures.
- (iv) Renters or leaseholders of a house or structure are entitled to cash compensation equivalent to 4 months rent or a value proportionate to duration of remaining lease.

#### **4. Communal, Public and Cultural Structures and Utilities**

38. For the loss of communal, public and cultural structures and utilities, including, among others, roads and pathways, water supply schemes, mosques and other religious sites, cemeteries, schools, health centers and hospitals, water channels and drains, the affected assets will either be restored and rehabilitated or when applicable cash compensation at the full current replacement value will be provided to a recognized pertinent institution, patron and/or custodian to restore the affected structure or utility. The relevant government department is to be informed and involved as applicable. When restoration, rehabilitation or cash compensation do not apply like, for instance, in the case of cemeteries or holy tombs, the following will apply: (i) when the site is not located in the reservoir, then alternative options in the routing of the main channel or the water supply will have to be explored to avoid affecting the site; (ii) when the site is located in the reservoir or no alternative routing could be found, the project will seek the affected communities agreement for these religious or communities sites to be submerged or damaged; (iii) in case of disagreement from the community, the subproject will be disregarded.

#### **5. Downstream Impacts**

39. Adverse downstream impacts on the availability of water resources from the dammed streams, on which water supply schemes, lift irrigators and other water users may depend on need to be avoided by providing strict guarantees for the maintenance of a reliable base flow approximately equal or proportional to pre-project conditions. These guarantees will be made in the form of a covenant between the project and the EPA.

#### **6. Loss of livelihoods**

40. For the loss of livelihoods the following compensation entitlements are stipulated:
- (i) Cultivators of all affected standing crops are given crop compensation in cash at the full market rate for 1 harvest (either *rabi* or *kharif*); in case of a sharecrop tenancy, the shareholders are compensated according to their respective customary shares.
  - (ii) The owners of trees planted in orchards or woodlots or occurring in natural forests, incl. land owners, tenants, lessees or people occupying land with no legal or customary rights of the land containing the trees, are paid compensation for the average production of fruit during the next 15 years computed at the current market value for the loss of fruit trees and at the current market value of wood (timber or firewood, as applicable) for the loss of wood trees. In addition, the owners/users are allowed to cut the trees before construction and keep the timber as firewood or market it.
  - (iii) The owners or users of pasture private land will be compensated for the loss of access to grazing resources through appropriate rehabilitation measure that will be

established based on specificity of each sub-projects (cash compensation, pasture relocation, alternative feeding techniques).

- (iv) Affected businesses or micro-enterprises will be compensated with cash compensation equal to one year of income for permanent business losses and with cash compensation equal to the period of the interruption of business for temporary income losses, based on tax records or reasonably verifiable recollection of the business owner.
- (v) Among affected wage workers and salaried employees, agricultural workers able to prove to have worked in the affected fields in the previous year will be provided with cash compensation equal to the average value of wages or in-kind remuneration for one year typical for the location and crops harvested, and non-agricultural workers and employees will be paid an indemnity for lost wages and salaries for the period or business interruption up to a maximum of six months.
- (vi) A relocation allowance to cover transport costs and livelihood expenses for 1 month on an actual cost basis or at current market rates will be provided to all APs to be relocated.

## **7. Special Provisions for Vulnerable APs**

41. To restore and enhance their original livelihoods, poor female headed households and disabled, elderly and/or landless people, whose livelihoods are jeopardized by project measures, are eligible for needs-based special assistance in cash and/or in kind including training and micro-credit facilities until their livelihoods are fully restored. If livelihood substitution is required instead, such vulnerable people, as well as owners whose landholdings have been reduced to less than 20 kanal, are entitled to support for the development of alternative livelihood sources in the form of new skills or micro enterprises through the provision of training and micro-credit facilities; they are also eligible for preferential jobs under the project.

## **8. Project Related Employment**

42. All APs, especially women APs, with income below the poverty line will be given priority for project related employment.

## **9. Unanticipated Adverse Impact**

43. Unanticipated adverse impact of the project not covered under this LARF will be addressed by the PMU project team and the EA during and after project implementation in the spirit of the principles underlying this LARF, including its types of entitlement and participatory orientation.

## **C. Assessment of Unit Values**

44. The following methodology will be adopted for the assessment of unit values for assets to be compensated:

- (i) Land will be valued at the replacement cost of land of approximately equal type and quality (cultivated, wasteland, residential, commercial, flat, slope, distance to roads, towns) determined by a local land sales survey for the period of one year preceding the cut-off date for the subproject.
- (ii) Houses, buildings and other structures will be valued at the replacement cost of structures of approximately equal type and quality determined by a survey of the cost of materials, type of construction, labor, transport and other construction costs.
- (iii) Crops will be valued for the first year at the net market farm gate price rate. Should more than 1 year compensation be due, crops thereafter will be compensated at gross market value.

- (iv) Trees planted in orchards or woodlots will be valued on the basis of species, productive capacity and age categories, including (a) seedling, (b) immature non-productive and (c) productive. In addition, the owners/users are allowed to cut the trees before construction and keep the timber as firewood or market it.
  - a. For fruit trees, seedlings will be compensated at current local nursery rates for the species, which will be doubled for each year of the age of an immature nonproductive tree. Productive trees will be valued at the current gross market value for 1 year of produce times 15 years.
  - b. Timber trees will be compensated at current local nursery rates for the species, which will be doubled for each year of the age of an immature nonproductive tree up to 10 years. Trees more than 10 years old will be compensated for lost income potential at the current market rate of the average timber yield of a particular species at customary age and girth for felling. These rates are to be ascertained at local timber mills.
  - c. Firewood trees will be compensated at current local nursery rates for the species, which will be doubled for each year of the age of an immature nonproductive tree up to 5 years. Trees more than 5 years old will be compensated for lost income potential at the current market rate of the average timber yield of a particular species at customary age and girth for felling. These rates are to be ascertained at the lots of local firewood vendors.
  - d. If rates for a particular species grown from seeds collected by the owner are not available, nursery, timber mill or firewood lot rates for similar species are applied.
  - e. Trees growing spontaneously in the wild, unless they constitute densely grown natural forests, will not be compensated, but may be harvested and used or sold by the owners of the affected land.

#### **D. Land for Land Compensation**

45. In cases where land for land compensation is feasible and selected, the replacement plots and the required associated technical features need to be mapped and listed in the subproject LARP, including roads, drainage, irrigation facilities, sanitation, water supply and electricity, depending on the type of land (agricultural, residential, commercial). The approximate site preparation cost will be indicated. In managing the relocation, the socio-cultural and religious characteristics of the APs and host communities will be taken into consideration and the distance between the old and new locations should be minimized as much as possible.

#### **E. Voluntary Donation of Land**

46. In cases where land is voluntarily donated for the project's purposes the following general guidelines are applicable:

- (i) The voluntary nature of the donation can be clearly demonstrated.
- (ii) The voluntary donation should not adversely affect the livelihood of the donor.
- (iii) The donated land should not have any encumbrances, such as tenants, squatters or mortgages.
- (iv) The voluntary donation will be confirmed by an independent third party.
- (v) The land donation will result from a consultative process involving the participation of APs, members of the community with legal and/or customary rights in the land to be donated, project staff and relevant government officials.
- (vi) In cases where vulnerable people are severely affected by voluntary donations of land, the donors will replace the loss with land with comparable resources or, if



acceptable to them, provide such vulnerable people with reasonable compensation, to be determined in a participatory process on the basis of the valuation principles set out in this LARF.

- (vii) As applicable, the aforementioned components and aspects of the voluntary land donation and the transfer will be documented in an affidavit signed by the donor, by witnesses and by all other relevant parties.
- (viii) The project team will provide the Project Director of the PMU/SDO and the donor with a report, including annexed legal documents, detailing the voluntary land donation process carried out.

## F. Entitlement Matrix

47. The following entitlement matrix in Table 3 governs all land acquisition and resettlement activities under this LARF:

**Table 3: Entitlement Matrix BIWRSP**

Assets Lost	Specification	Eligible People & Institutions	Compensation Entitlements	Implementation Issues
<b>1. Land</b>				
1.1. Agricultural land (property or use rights) incl. cultivable land ( <i>maira</i> ) and uncultivable wasteland ( <i>Ghair Mumkin</i> )	All land losses irrespective of impact severity	Owner (titled & non-titled) incl. individuals, groups and communities with common property resources ( <i>shamilat</i> )	<u>Permanent:</u> Cash compensation for lost land at replacement cost based on market value plus a 15% compulsory land acquisition surcharge free of taxes, as well as of registration and transfer costs; OR Land for land compensation through provision with plots of equal value and productivity as lost asset <u>Temporary:</u> Cash compensation equal to the average market value of each lost harvest for the duration of loss AND Restoration of both, cultivable and uncultivable land, to pre-construction condition	Non-titled owners are long-term occupants with legitimate rights (i.e. government or community has factually accepted occupancy)  Cash compensation to communities with <i>shamilat</i> land to be decided with respective communities: Option 1: Deposited in bank account of registered community project consultation committee and must be used for the community-based operation and maintenance of the irrigation system or other development project in the community Option 2: Distributed among affected groups, clans, households under project supervision  Cadastral record to be requested from Tehsil Revenue Office  Replacement value of land to be determined
		Sharecrop tenant (registered & unregistered)	<u>Permanent:</u> Cash compensation equal to the market value of the share of 2 lost harvests <u>Temporary:</u> Cash compensation equal to the market value of the share of 1 lost harvest	
		Lease tenant (registered & unregistered)	Cash equivalent of market value of gross yield of lost land for the remaining lease years (up to maximum of 3 years)	
		Those with neither legal or customary rights but in occupation of the land	Rehabilitation allowance equal to the market value of harvest of the lost land for 1 year ( <i>rabi</i> and <i>khariif</i> ) in addition to standard crop compensation	

Assets Lost	Specification	Eligible People & Institutions	Compensation Entitlements	Implementation Issues
	Additional provision for <u>severe impacts</u> (> 10% of owner's or cultivator's total cultivable land is lost)	Owner (titled & non-titled) & lease tenant	1 severe impact allowance equal to the market value of harvest of the lost land for 1 year ( <i>rabi</i> and <i>kharif</i> ) in addition to standard crop compensation	by meeting of APC, Revenue Department, EA under consideration of LAA of 1894 and ADB guidelines  Relevant entitlements to be applied to catchment, reservoir & dam site, command area, downstream sites
		Sharecrop tenant	1 severe impact allowance equal to the market value of share of 1 harvest	
		Those with neither legal or customary rights but in occupation of the land	1 severe impact allowance equal to the market value of gross harvest of the lost land for one year ( <i>rabi</i> and <i>kharif</i> )	
1.2. Residential & commercial land		Owner (titled & non-titled)	Cash compensation for lost land at replacement cost based on market value plus a 15% compulsory land acquisition surcharge free of taxes, as well as of registration and transfer costs; OR  Land for land compensation through provision of plots of comparable value and location as lost asset	
		Renter or leaseholder of bare land	Cash compensation equivalent to 4 months rent or value proportionate to duration of remaining lease	
2. Structures & Utilities				
2.1. Residential, agricultural & commercial, incl. houses, business premises, wells and ponds		Owner (titled & non-titled)	<u>Complete loss:</u> Cash compensation at full replacement cost for affected structure and other fixed assets free of salvageable materials, depreciation and transaction cost. The elderly, handicapped and vulnerable APs, instead of cash compensation, will be provided with the option of moving into a house constructed by the Project. <u>Partial loss:</u> Cash compensation of full replacement value of lost proportion of structure and full cash assistance to restore remaining structure	Owners of affected structures are allowed to take and reuse salvageable materials for building and rehabilitation of structures  Relevant entitlements to be applied to catchment, reservoir & dam site, command area, downstream sites
		Renter or leaseholder of house or structure	Cash compensation equivalent to 4 months rent or value proportionate to duration of remaining lease	
2.2. Communal, public & cultural		Community, relevant public or civil society institution	Rehabilitation/restoration or substitution of the affected structures and utilities incl. roads, pathways, water supply schemes, mosques etc., cemeteries, schools, health centers and hospitals, water channels and drains, etc.;  OR  Cash compensation at full current replacement value to restore affected structures and utilities to the recognized institutions, patron and/or custodian	The relevant sub community and /or, government department is to be informed and involved
3. Loss of livelihoods				

Assets Lost	Specification	Eligible People & Institutions	Compensation Entitlements	Implementation Issues
3.1. Crops	All standing crops affected	Cultivator of crop	Crop compensation in cash at full market rate for 1 harvest (either <i>rabi</i> or <i>kharif</i> ); in case of sharecrop tenancy, shareholders are compensated according to their respective customary shares	
3.2. Trees	All affected trees planted in woodlots or orchards	Owner of tree incl. land owner, tenant, lessee or persons in actual occupation of the land	Compensation for loss of fruit trees for average production of fruit during the next 15 years computed at current market value Compensation for loss of wood trees at current market value of wood (timber or firewood, as applicable)	
3.3. Grazing resources	Loss of grazing access	Owner or user of pasture	Appropriate rehabilitation measure will be established based on specificity of each sub-projects (cash compensation, pasture relocation, alternative feeding techniques)	Grazing is on privately owned land where owner grants rights to his fellow community members
3.4. Businesses and other income generation activities		All affected businesses & micro-enterprises (irrespective of title status of premises)	<u>Permanent:</u> Cash compensation equal to one year of income <u>Temporary:</u> Cash compensation equal to income during the period of business interruption	According to records or reasonable verifiable recollection of previous year's income adjusted for inflation
3.5. Employment		All affected workers and employees	<u>Agricultural workers:</u> Cash compensation equal to the average value of wages or in-kind remuneration for one year typical for the crops harvested and location at current rates <u>Non-agricultural workers and employees:</u> Indemnity for lost wages for the period of business interruption up to a maximum of 6 months	Agricultural workers eligible for compensation are those who can be proven to have worked in the same fields in the previous year
3.6. Relocation	Transport and transitional livelihood costs	All APs to be relocated	Provision of allowances to cover transport and livelihood expenses for 1 month on actual cost basis or at current market rates	
<b>4. Special provision for vulnerable APs</b>				
4.1. Impact on vulnerable APs	Livelihood restoration and enhancement	Households that are under poverty level or headed by woman.	Needs based special assistance in cash and/or in kind (e.g. training, micro-credit facilities and preferential employment in the project)	Based on census and sample survey for RP
<b>5. Unanticipated adverse impact</b>	To be addressed by project team and SDO during and after project implementation in the spirit of the principles underlying this entitlement matrix			

## V. SPECIFIC ARRANGEMENTS FOR VOLUNTARY LAND CONTRIBUTIONS

48. While land acquisition due to main canal and reservoir construction constitutes a negative impact affecting people that are not necessarily project beneficiaries, land losses due to secondary watercourses construction in the irrigation perimeter are directly related to a net benefit to land owners who have voluntarily elected to participate in the irrigation development program. As part of

the demand driven approach developed by the Project, the demand of the potential beneficiaries is assessed during the dam planning stage and constitutes a criterion for the selection of a given dam site. This demand is confirmed among others by the acceptance of the future beneficiaries to participate to the cost of the land leveling and the watercourses. For this reason, the main canal and reservoir impacts will be compensated in accordance with the above policy framework but the secondary water courses impacts will not be compensated and acquired in form of voluntary land contribution. It is to be noted anyway that due to the small size of the perimeters (from 500 to 2,000 ha), the secondary canals directly channeling the water from the main canal to the field are very small and technically simple enough to be dug by the users themselves. This process will be undertaken by the beneficiaries themselves with support from the Project social mobilizers.

49. In order to verify that the process is fair and supported by all beneficiaries' landowners, the project will provide due diligence documentation for each irrigation perimeter. This documentation in form of a report for each perimeter will indicate: (i) names of beneficiary landowners; (ii) location of land plots; (iii) area of watercourses to be constructed in each plot; and (iv) proof of signed agreement between the users and the EA. The report will also detail the participatory planning process on which the development of the perimeter has been based, discuss major issues dealt with and agreed by beneficiaries and EA and provide a schedule for the execution of the needed works and the funds involved.

50. These reports will be included in the general design of each perimeter and will be a condition to start construction activities in each perimeter. The preparation of the design and the due diligence report will be facilitated from the beginning of the planning exercise to the full completion of the irrigation facilities by a social mobilization team, the SDO and the resettlement consultant specialist. The process will be monitored by an independent third party.

## **VI. AP CENSUS AND SOCIO-ECONOMIC SURVEY**

51. To apply the eligibility and entitlement provisions indicated above and prepare the LARP for each subproject, a census of all APs with an inventory of all types of losses, following the categories of the entitlement matrix, and a socio-economic sample survey of APs will be undertaken. The census and socio-economic survey will be based, but not limited to the accurate lists provided by the land revenue officers of the tehsil administration and identifying the specific individual asset owning APs, their plots and the exact measurement of the affected land. Compensation of private properties cannot be done for collectivities such as clans, with the exception of communal land (*shamilat*).

52. Should new categories of losses and of APs be identified in the preparation of a new subproject, the entitlement matrix will be revised and LARF updated. The findings of the census and survey will be reported in the LARP and the detailed census records appended. The data and analysis, including a computerized data base of all AP related information, will be provided to the project monitoring section (PMS).

### **A. Census**

53. The census will record basic demographic and socio-economic data at the household level for the members of all AP households, including, among others, gender, education, relationship to head of household, age, tribal and clan association, residential status and disability, as well as total land, structures, crop production and incomes for the household as a whole. For all individuals with affected assets and incomes, total and affected agricultural land and associated crops and trees with extends and yields, residential/commercial land and structures and utilities with their relevant

characteristics, incomes from various sources and occupations and other individually owned affected assets will be recorded. In addition, affected communal, public and cultural assets will be ascertained and recorded. Based on the household level part of the census and the vulnerability indicators defined in section II.C, vulnerable households will be identified and indicated. Due to their differential impact severity, reservoir and main canal impacts, as well as temporary impacts will be recorded separately.

## **B. Socio-Economic Survey**

54. A socio-economic survey of a sample of 20 percent of all AP households, a proportion of which should be equal to 20 percent of the total vulnerable households identified through the census, will be carried out. In addition to the demographic and socio-economic household level data of the census, it will investigate in depth their land and water use practices and socio-economic condition, including agriculture, livestock rearing, firewood procurement, other land uses, water supply, educational and employment status, health and nutrition, gender relations, social cohesion and organization, their development needs and priorities and their expectations towards and preferences regarding the Project. Data collection and analysis will be gender disaggregated to permit an understanding of the differences in the conditions and perceptions of women and men. Relevant socio-economic context information will be provided in the LARP as well.

## **VII. PUBLIC PARTICIPATION AND DISCLOSURE OF DOCUMENTS**

55. Consultation and public information disclosure on LAR related activities of the Project are part of the overall communication and participation strategy for subproject planning and implementation. Social safeguards will be planned and implemented as integral parts of each subproject. In any project with LAR impacts, the APs will be provided with the LARP prior to submission to ADB, permitting discussion and modifications if required and appropriate.

### **A. Involvement of Affected People (AP), Government Officials and Non-government Organizations (NGOs)/Community-based Organizations (CBOs)**

56. In each subproject with LAR impacts, an Affected People's Committee (APC) inclusive of elected representative of the APs will be formed during the census survey. The APC will represent the interest of the APs and provide continuous liaison between the EA and the affected communities during the finalization of alignment and layout of the physical infrastructure and during the planning, implementation and monitoring of all LAR related activities including complains and grievances. . The APC will participate in the finalization of alignment and layout of the physical infrastructure. The APC participates in the planning, implementation and monitoring of all LAR related activities and issues in a consultative role, including the following:

- (i) Preparation of the inventory and valuation of permanently and temporarily affected assets and incomes, including land, structures and utilities, crops and trees, businesses and employment, thereby ensuring a transparent and fair process;
- (ii) Assessment of damage to land and structures from construction works;
- (iii) Payment of compensation for acquired land and lost assets and livelihoods to individuals by the LAC in the main village of each revenue estate (*moza*);
- (iv) Implementation of livelihood restoration and enhancement or substitution measures, including payment of allowances and needs based assistance;
- (v) Consultation with displaced APs and host communities on relocation options, if required;
- (vi) Grievance redress; and
- (vii) Review, discussion and modification of the LARP

57. The appropriate government departments and offices at the union, tehsil, district and provincial levels will be informed about the activities of the project and their participation and assistance requested for the inventory of assets, census of APs, public meetings and resolution of problems, as well as participation in the local LAR Coordination Committee.

58. Local NGOs and CBOs with a track record of credible and effective community work will be associated with the subproject as partners and involved in its LAR process as a community liaison, in the social preparation process and in the census and socio-economic survey.

## **B. Disclosure Plan**

59. The following disclosure plan will be followed in all subprojects to ensure the timely and comprehensive information of the public and especially the APs and their meaningful consultation:

- (i) The LARP and associated LAR documents will be translated into Urdu and disclosed to APs in various locations in Subproject areas including the field offices of the PMU, the offices of the Tehsil Administration and the local Union Councils, and the offices of the SDO. The LARP will be posted in English on the ADB website.
- (ii) In addition to the disclosure of the LARP, SDO will send to all APs a pamphlet in Urdu summarizing the resettlement information including measurement of losses, detailed asset valuations, entitlements and special provisions, grievance procedures, timing of payments and displacement schedule. The summary LARP will also be posted in major gathering places such as markets, bus stops and main government offices and will be published in a local newspaper.
- (iii) The Impact Mitigation Officer (IMO) and the LARS of the Project will keep the APs informed about the implementation process of this LARP and will continue the consultation process so as to ensure that the APs can give proper feed-back on the implementation of the compensation and rehabilitation program.
- (iv) Furthermore, the APC will be the primary communication partner with and conduit of information to the APs in each subproject and will receive a draft of the LARP first. Public meetings will be organized jointly by the APC and LAR staff of the Subproject including the LAC dedicated to the project, with participation of associated NGOs and CBOs if any, during which the key provisions of the LARP are explained and discussed.
- (v) Moreover, construction (and demolition) plans with dates, and schedules for payment of compensation will be provided to the APC and all APs before commencement of construction.
- (vi) Finally, grievance redress mechanisms will be publicized and made accessible in local public offices.

## **VIII. INSTITUTIONAL ARRANGEMENTS**

### **A. Agencies and Institutions**

60. The following primary institutional actors will be involved in all LAR activities:

- (i) The Irrigation and Power Department Punjab has the overall responsibility for the preparation and implementation of the Project.
  - a. The execution of the Project will be managed by a provincial Project Management Unit (PMU) headed by a Project Director.
  - b. Field offices located in the districts will be tasked with day-to-day activities at the subproject level.
  - c. All LAR related tasks will be handled by a Land Acquisition and Resettlement

Resettlement Section (LARS) within safeguard unit of the PMU headed by the Deputy Director Planning and Technical Monitoring, who designates and supervises Impact Mitigation Officers (IMO) in charge of LAR activities at each SDO division office at sub-project level.

- d. The LARS is staffed with a legal advisor seconded from the provincial Government and national resettlement specialists.
- e.. The SDO and PMU staff will be supported and trained by a team of male and female resettlement specialists engaged as part of the project implementation consultant's team.
- (ii) The APC participates in the planning, implementation and monitoring of all LAR related activities and issues in a consultative role.
- (iii) The Provincial Board of Revenue will second the necessary personnel to the project to have jurisdiction and carry out functions for land administration, valuation and acquisition of behalf of the District and Local Governments (tehsil and union levels) for the project including:
  - a. A dedicated Land Acquisition Collector (LAC)
  - b. A Revenue Officer (tehsildor)
  - c. Two Kanungo
  - d. Four *patwari* (land revenue officers)
- (iv) Relevant Departments of the District and Local Governments with respect to functions pertaining to compensation of assets other than land.
- (iv) ADB has approval functions for the LARP under the loan facility it provides for the Project. Category A projects are cleared at ADB Headquarters in Manila, while c. Category B projects are cleared by an ADB resettlement specialist at the Pakistan Residence Mission.

61. In addition, the following institutional actors have oversight or supportive functions:

- (i) A local Partner NGO will be engaged as a social mobilizer and serve as community liaison, for the social preparation process and assume functions in the census and socio-economic survey.
- (ii) An independent agency (local NGO) will be tasked with external M&E and a third party validation of LAR activities.
- (iii) The Environmental Protection Agency (EPA) has jurisdiction over LARF related activities which are reported as a part of EIA reports of a project. Accordingly, EPA has oversight functions and can take action against deviations from the LARP under the IEE/EIA Regulations 2000 and section 16 of Pakistan Environmental Protection Act (PEPA), 1997.

## **B. Capacity Building and Provision of Means for LARP Implementation**

62. The current capacity of the relevant government institutions involved, including the concerned SDO staff and Land Revenue Department Officers, especially the Patwari, to carry out the required LAR related actions effectively and on time must be considered limited. In addition to provision of familiarization training with LAR principles and procedures, it is recommended that the process of land surveys and compilation of lists of affected people is started very early in the LAR process and followed up persistently to avoid bottlenecks later during the preparation of the LARP. To ensure a timely implementation of the LAR activity, the necessary means, including transport and daily allowances, will be promptly made available by the project to the officers involved in carrying out LAR activities.

63. The concerned PMU, SDO staff, local government officials, APC representatives and NGO staff will require intimate familiarization with LAR related principles and procedures, as stipulated in

this LARF and the general ADB guidelines. All concerned staff among the relevant institutional actors will be provided with an intensive training on the ADB policy, LARF principles and LARP preparation and implementation procedures in a 3-day workshop prior to the initiation of first subproject detailed designs. In addition, training will be provided by the resettlement specialist of the project implementation consultant's team during the preparation phase for each subproject.

### **C. Coordination**

64. Timely and effective LARP implementation and AP compensation through all the concerned institutional actors indicated above will be facilitated by the following coordination mechanisms, which will be managed by the LARS of the PMU:

- (i) A LAR Steering Committee (LSC) will be formed at the provincial level. Its members include:
  - a. Secretary, Provincial Irrigation and Power Department (IPD)
  - b. Chairman, Provincial Planning and Development Department (PDD)
  - c. Chairman, Provincial Board of Revenue (BoR)
  - d. Director General, Provincial Environmental Protection Agency (EPA)
  - e. Project Director, PMU/SDO

The LSC will meet periodically to ensure the timely formation of district level LAR Coordination Committees and facilitate the LARP approval and implementation process.
- (ii) A LAR Coordination Committee (LCC) will be formed in each relevant district to facilitate communication and coordination among local agencies, organizations and stakeholders for the preparation and implementation of the subproject LARPs. In addition, the LCC will cooperate with the PMU to settle grievances which cannot be resolved at the local level. Its members include:
  - a. Subproject Manager, PMU field office/SDO
  - b. District Nazim
  - c. Tehsil Nazim(s)
  - d. Union Council Nazim(s)
  - e. APC President(s)
  - f. Project Manager, Partner NGO
  - g. District Revenue Officer(s) (DOR/LAC)
  - h. Project Deputy Director, resettlement specialist/PMU
  - i. Impact Mitigation Officer SDO

The local government members will be selected according to their jurisdiction over LAR related matters of the respective subprojects.

## **IX. GRIEVANCE REDRESS**

65. A grievance mechanism will be available to allow an AP appealing any disagreeable decision, practice or activity arising from land or other assets assessment, acquisition, compensation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, assessment survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be obtained through careful LAR design and implementation, by ensuring full participation and consultation with the APs, and by establishing extensive communication and coordination between the community, the PMU, the dedicated LAC, the project Social Mobilizer and the local governments in general.

66. As finances will move differently for land and other items compensation/ rehabilitation (in the first case funds will move from PIPD through the dedicated project LAC to the APs, while in the



second, funds will go directly from PIPD to the APs), Complaint & Grievances will be addressed through 2 different processes as described in Table 4. As a rule, the APs will be able to voice their grievance through this mechanism free of charge.

**TABLE 4: GRIEVANCE RESOLUTION PROCESS**

<b>Land/Crops Compensation Issues Under the LAC</b>	<b>Project/Other Items Compensation Issues Under the EA</b>
1. Initially, complaints will be lodged verbally or in writing with the APC assistance to the PMU field office. Resolution is sought within 10 days at the village level through the involvement of the IMO, the Partner NGO and mediators from among the recognized traditional village institutions.	1. Initially, complaints will be lodged verbally or in writing with the APC assistance to the PMU field office. Resolution is sought within 10 days at the village level through the involvement of the IMO, the Partner NGO and mediators from among the recognized traditional village institutions.
2. If still unsettled, a grievance can be lodged to the dedicated LAC who has 30 days to decide on the case.	2. If still unsettled, a grievance can be lodged to the Head of the LARS which has 30 days to respond.
3. If the complaint still remains unsolved, it can be escalated by the AP to the head of the PMU office in Rawalpindi within 1 month of the original complaint to the LAC or LARS who will review and rule on the issue(s) within 21 days. The PMU decision must be in compliance with the provisions of this LARF.	3. If the complaint still remains unsolved, it can be escalated by the AP to the head of the PMU office in Rawalpindi within 1 month of the original complaint to the LAC or LARS who will review and rule on the issue(s) within 21 days. The PMU decision must be in compliance with the provisions of this LARF.
4. Should the grievance redress system fail to satisfy the AP, they can further submit their case to the appropriate court of law as per the process set out in Sections 18 to 22 of the LAA (1894).	4. Should the grievance redress system fail to satisfy the AP, they can further submit their case to the appropriate court of law as per the process set out in Sections 18 to 22 of the LAA (1894).

67. The APs will be fully informed of their rights and the grievance redress mechanism during consultations, the surveys and at the time of compensation, in addition to the measures indicated in section VII.B.

68. The Project and its participating stakeholders will seek to prevent grievances rather than engaging in frequent grievance redress procedures. The careful design and implementation of the LARP, meaningful and comprehensive stakeholder information, participation and consultation and fully functional coordination mechanisms would facilitate the minimization of grievances.

## **X. MONITORING AND EVALUATION**

69. The LAR process will be monitored both, internally and externally. Internal monitoring of the Project as a whole will be conducted by a Project Monitoring Section (PMS) within PMU to be established 6 months after loan effectiveness, and include a LAR monitoring component. External monitoring will be assigned to an external monitoring agency (EMA) engaged by PMU from among local consultants or research institutes, and approved by ADB. ADB will prepare the terms of reference (TOR) for the external monitoring agency and ensure its contracting before the start of LARP implementation.

### **A. Internal Monitoring**

70. Internal monitoring will be a routine activity of the PMS/PMU and results will be reported to

ADB in the quarterly project reports. The PMS will be assisted by the resettlement specialists of the project implementation consultant's team in the development and implementation of a LAR monitoring procedure with input, output and process indicators, field level data collection and computerized data entry in the project's data base, and the procurement of required staff. LAR data will be included in the monthly reports of the PMS to all relevant officers of the PMU to facilitate, supervise and adapt LARP implementation work. The monthly reports will be consolidated in the quarterly reports.

71. Among the activities and processes to be monitored are (i) the information campaign and consultations with APs and other stakeholders; (ii) land acquisition and compensation payments; (iii) selection and distribution of replacement land; (iv) compensation for affected structures and other assets; (v) relocation of APs; (vi) compensation for loss of income; and (vii) income restoration.

72. The investigation methods may include (i) the review of census information; (ii) consultation and open-ended interviews with APs; (iii) in-depth case studies; (iv) sample surveys of APs (based on the initial socio-economic baseline survey); (v) key informant interviews and (vi) public community meetings. All data collection and analysis will be gender disaggregated.

## **B. External Monitoring**

73. External monitoring will be carried out biannually during the implementation of LARPs and its results will be reported to the PMU and ADB in semi-annual reports. The resettlement specialists of the project implementation consultant's team will review and discuss the external monitoring design with the EMA. Among the tasks of the external monitoring process will be (i) review and verification of the internal monitoring reports of PMU; (ii) review of the socio-economic baseline surveys; (iii) identification and selection of impact indicators; (iv) impact assessment through quantitative and qualitative surveys; (v) consultation with local stakeholders; (vi) assessment of the effectiveness, efficiency impact and sustainability of the LAR process for each sub-project; (vii) recommendation of LAR process modification and adaptation measures; and (viii) documentation of lessons learned for future resettlement policy formulation and planning. All data collection and analysis will be gender disaggregated.

74. In particular, external monitoring will focus on (i) the status of affected vulnerable people; (ii) the socio-economic post-resettlement conditions of APs, including changes in their standard and quality of living; (iii) perceptions of the APs regarding the LAR process implementation; (iv) the effectiveness and fairness of valuation and compensation assessment and disbursement; (v) the effectiveness and fairness of grievance redress mechanisms; and (vi) the level of satisfaction among APs in the post-resettlement period.

## **C. Post-implementation Evaluation**

75. The external monitoring agency will carry out a post-implementation evaluation on the basis of the socio-economic baseline surveys approximately a year after the completion of each sub-project in order to ascertain whether the sub-project was able to implement the objectives and provisions of the LARP. In case of a short-fall the external monitoring agency will recommend supplemental measures.

## **XI. LAR BUDGET, FINANCES, AND DISBURSEMENT**

### **A. Budget**

76. The total LAR preparation and implementation cost including the cost of compensation and administration is an integral part of the Project cost. Each sub-project LARP will include a budget section indicating (i) unit compensation rates for all affected assets and allowances; (ii) the methodology for the computation of unit values; and (iii) a table of costs for all compensation expenses including administration and contingencies. The budget may be revised periodically if indicated by the experiences of the LAR process and changes in prevailing asset values.

### **B. Financing**

77. Finances for compensation, allowances and administration of LARP preparation and implementation as well as cost of external monitoring will be provided by the Government of Punjab as counterpart funds. To ensure the availability of sufficient funds for all LAR tasks the local governments will allocate 100 percent of the cost of compensation at replacement cost and allowances anticipated and estimated in each LARP, plus 5 percent contingencies, before LARP implementation.

78. As the project executing agency, the PIPD through its PMU is responsible for the timely allocation of the funds needed to implement the sub-project LARPs. Allocation will be reviewed biannually based on the budget requirements indicated in the LARPs.

### **C. Disbursement**

79. The total amount assessed for land acquisition and compensation, as well as crop, trees and building compensation and any other compensation eligible under the Land Acquisition Act 1894, will be deposited by the EA in the treasury accounts of the respective districts, who must then make payment of compensation money to the entitled APs within 60 days after the notice of award under Section 6 of the LAA. The total amount assessed for acquisition and compensation of other assets and for income restoration and livelihoods support will be disbursed by the PIPD through the Project Management Unit (PMU).

80. Those eligible for compensation will be given advance notice of the date, time, and place of payment through public announcements and written notices. Receipts must be signed by all those receiving compensation payments and retained for audit purposes. The process of distribution of compensation will be supervised by the IMO, the LARS and representatives of Affected Persons Committees (APC) and the resettlement consultants, and further verified by the PMU monitoring system. Disbursement will preferably be carried out in the subproject communities or in the union council offices.

81. Payment of compensation will be made no later than 60 days (2 months) prior to the actual possession of the acquired lands or structures. No land will be possessed by the LAC or handed over to the EA for commencing construction works without full payment of due compensations to the affected landowners and their tenants. However, in case of a dispute, the assessed/allocated amount of compensation will be pledged in the names of the concerned APs, pending a decision by the court in accordance with LAA. In such cases, the Project may possess the land before payment of compensation, but will hold all construction works until the final settlement of all compensation cases.

## XII. TIMING OF LAR ACTIVITIES

### A. Implementation Schedule

82. A detailed implementation schedule will be prepared for each LARP indicating the sequence and time frame of activities, including (i) acquisition of land and other assets; (ii) release of funds to the acquiring agency; (iii) disbursement of compensation for various categories of assets and income losses; (iv) relocation and livelihood restoration/substitution measures; (v) demolition of structures and transfer of land; and (vi) grievance redress and M&E.

### B. Scheduling of the Institutional Arrangement for LAR Activities

83. Timely mobilization of the personnel, organization and formation of the committee required to comply with the LARF will be crucial to avoid important delays in implementing LAR activities and in obtaining ADB's clearances on the LARPs. Table 5 provides an overview of the various personnel, institution, bodies and milestones for their mobilization.

**Table 5: Mobilization Schedule**

Action	Milestone
Appoint Project Director	1 month from loan effectiveness or before
Appoint dedicated LAC and support staff	3 months after loan effectiveness or before
Appoint Legal advisor	3 months after loan effectiveness or before
Recruit LARS consultant	5 months after loan effectiveness or before
Appoint IMO	Prior to feasibility study of each subproject
Recruit social mobilizer	Advance action prior to loan agreement
Set up project redress grievance mechanism	Prior to implementation of LAR activities of the first subproject under the project
Set up AP committee	Prior to the start of each subproject feasibility study
Recruit M&E external agency	Twice a year once project implementation is started
Recruit internal PMU monitoring unit	5 months after loan effectiveness or before
Set up the LAR steering committee	Prior to implementation of LAR activities of the first subproject under the project
Set up the LAR coordination committee	Prior to implementation of LAR activities of the first subproject under the project

### C. Arrangements for LAR Activities Under Advance Financing

84. With regards to the LAR activities which will be implemented prior to loan agreement and effectiveness (advance actions), the following temporary institutional arrangement will be made:

- (i) SDO and its Director will assume PMU functions until the Project Director is appointed.
- (ii) The district LAC will undertake the function of the dedicated LAC until he is appointed by the board of revenue to the PMU.
- (iii) Resettlement experts will be recruited as individual consultants under the advance action package approved by ADB to advise SDO until the PMU is formed and a permanent resettlement expert recruited.
- (iv) The social mobilizer will be recruited as part of the advance action package approved by ADB to ensure social mobilization in subproject planning and resettlement issues prior to full implementation of the project. The social mobilization will ensure the external monitoring, until the PMU is formed if required.
- (v) SEMU will ensure the internal monitoring until the PMU monitoring cell is formed.

## D. LARP Preparation and Implementation Process

85. Table 6 provides a convenient overview of the sequence, key tasks, and responsibilities of the entire LARP preparation and implementation process.

**Table 6: LARP Preparation and Implementation Process**

Step	Action	Responsibility
1.	<b>SUB-PROJECT PREPARATION</b>	
1.1	Identification of subprojects	PMU, Consultants
1.2	Review and update of project feasibility study indicating whether LAR is necessary	LARS, Consultants
1.3	Scheduled action plan w/ LARP tasks of LARS, consultant, local government and partner NGO	LARS, Consultants
1.4	Initiation of LCC formation	LARS, Consultants
2.	<b>LARP PREPARATION</b>	
2.1	Proposal to Revenue Department with summary of subproject and LAR component	EA
2.2	Publication of Notice of Intent to acquire land under Section 4, LAA	Revenue Department: dedicated LAC
2.3	Preparation of census and socio-economic survey questionnaires and valuation survey forms	SDO, Social mobilizers, Consultants hired for feasibility studies
2.4	Training of survey, assessment and valuation teams	SDO, Consultants hired for feasibility studies, Social mobilizers
2.5	Coordination with relevant local government agencies	SDO, Dedicated LAC, Consultants hired for feasibility studies
2.6	Verification of land records in affected areas, update of cadastral maps	Dedicated LAC, Tehsil Patwari, LARS, Consultants hired for feasibility studies
2.7	Census and socio-economic survey, valuation survey	Dedicated LAC, Tehsil Patwari, LARS, Consultants hired for feasibility studies, NGOs, APC
2.8	Review of census and survey, and request of additional field work, if required	Consultants hired for feasibility studies
2.9	Public consultations and negotiations	Dedicated LAC, local Government, SDO, Consultants hired for feasibility studies, APC
2.10	Preparation of LARP with results of census and socio-economic survey	Dedicated LAC, LARS SDO and Consultants hired for feasibility studies
2.11	Submission of LARP to PMU	SDO, Consultants
2.12	Submission of LARP to EA, Local Government and EPA for approval	PMU, EPA, Local Government
2.13	Submission of LARP to ADB	EA
3.	<b>LARP IMPLEMENTATION</b>	
3.1	LARP public disclosure	SDO/LARS, Dedicated LAC, ADB
3.2	Approval of subproject contract awards	ADB
3.3	Distribution of relocation notices to APs	PMU, LARS, dedicated LAC
3.4	Award of cheques for land compensation	PMU, SDO, dedicated LAC,

Step	Action	Responsibility
		APs, Social mobilizer
3.5	Award of cheques for other compensation, assistance and rehabilitation measures	PMU, SDO, APs, Social mobilizer
3.6	Relocation and reconstruction	SDO, contractors, Social Mobilizer
3.7	Income rehabilitation and substitution activities	SDO, PMU, NGO
3.8	Review of LARP implementation	PMU, SDO, Consultants, ADB, NGO
4.	<b>POST-IMPLEMENTATION TASKS</b>	
4.1	External evaluation of LARP program	EMA
5.	<b>RECURRENT AND CONTINUOUS TASKS</b>	
5.1	Internal monitoring: monthly report to PMU; quarterly report to ADB	PMU, PMS, SDO
5.2	External monitoring: biannual report to PMU and ADB	EMA, PMU
5.3	Grievance redress and lawsuits	SDO, PMU, LAC, LCC, AP, APC, Courts
5.4	Interagency coordination	PMU, SDO, LAC, Local Government
5.5	Communication with APs	PMU, SDO, LAC, Local Government, NGO
5.6	Review and facilitation meetings at provincial and district levels	LSC, LCC