



## External Monitor - Initial Report (November 2012)

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Project Number: 44914

### PAK: Patrind Hydropower Project

Prepared by Refuge for Salvation

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Asian Development Bank



# **STAR HYDROPOWER LIMITED**

## **147MW PATRIND HYDROPOWER PROJECT**

### **External Monitor- Initial Report**

***November 2012***



**Conducted by: REFUGE**

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## **LIST OF ACRONYMS**

ADB	Asian Development Bank
AJK	Azad Jammu Kashmir
EPC	Environmental Protection Committee
NWFP	North West Frontier Province
IFC	International Financial Consultants
ESI	Environmental & Social Inspector
EMU	Environmental Management Unit
LAC	Land Acquisition Collector
DRO	District Revenue Officer
SHPL	Star Hydro Power Limited
KPK	Khyber Pakhtunkhwa
DPs	Displaced People
APs	Affected People
PAPs	Project Affected People
LAA	Land Acquisition Act
LOS	Letter of Support
SPS	Safeguard Policy Statement
CAS	Compulsory Acquisition Surcharge
M&E	Monitoring & Evaluation
POA	Power of Attorney
CNIC	Computerized National Identity Card
RP	Resettlement Plan
FGD	Focused Group Discussion

## **External Monitoring Report**

### **Special Evaluation Study (SES)**

This monitoring report and volume of case studies was prepared in the context of the Special Evaluation Study of Involuntary Resettlement Safeguards. The team leader for this evaluation was Abdul Saboor Awan, (External Monitor) assisted by Mr. Farrukh Ahmed (Social & Environmental Consultant). The case studies are based on (i) field visits of the Team Leader and interviews he conducted, (ii) existing documentation on the project, and (iii) reports of field studies conducted by consultants, referred to in the introduction. The consultants had no conflicts of interest with regard to the projects they studied. The views expressed in the case studies do not necessarily reflect the views and policies of the Asian Development Bank, or its Board of Governors or the governments they represent. Please send your comments to [awan\\_icc@hotmail.com](mailto:awan_icc@hotmail.com)

## **EXECUTIVE SUMMARY**

Patrind Hydropower Project (the Project) is sponsored by STAR Hydropower Limited (the Company). The Resettlement Plan was prepared on behalf of the Sponsor by Pakistan Engineering Services (Pvt.) Lahore. The Project consists of a weir on Kunhar river, located on the boundary of District Abbottabad of Khyber Pakhtunkhwa and District Muzaffarabad of Azad Jammu and Kashmir (AJK). The powerhouse is located on right bank of Jhelum river in lower Chatter area of District Muzaffarabad, (AJK).

Study for Resettlement Plan was conducted by a multidisciplinary team initially during the period between June–September 2006 as the part of feasibility study. The EPC Contractor then modified design slightly which included the relocation of weir and powerhouse from their proposed sites in the feasibility study. As a result of this change additional environmental surveys were conducted in March 2010 and the Resettlement Plan has been updated accordingly.

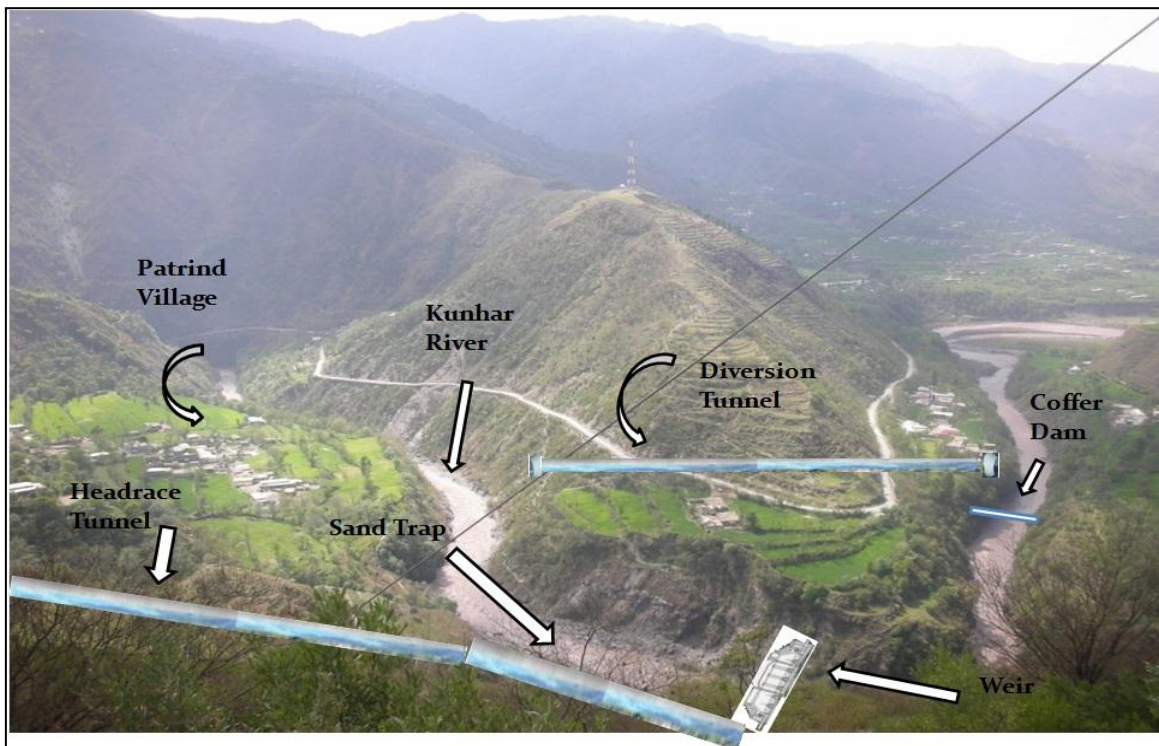
## **1. PATRIND HYDROPOWER PROJECT**

The proposed weir site is accessed by Boi Road on right side of Kunhar river. It is at a distance of 12.3 km from Garhi Habibullah bridge. The centre line of Kunhar river at the project site marks the boundary between Pakistan and Azad Jammu & Kashmir. The left bank of Kunhar river thus lies in AJK which can be accessed by a 3.1 km track leaving main road between Muzaffarabad and Garhi Habibullah (Hazara Trunk Road).

The proposed powerhouse site is located on the right bank and downstream limb of Jhelum river at Lower Chattar District Muzaffarabad in AJK. The left bank of Jhelum river at the proposed site of powerhouse is accessible from Lower Chattar in Muzaffarabad district. Locations of weir and powerhouse sites are shown in Figure 1.1 and 1.2.

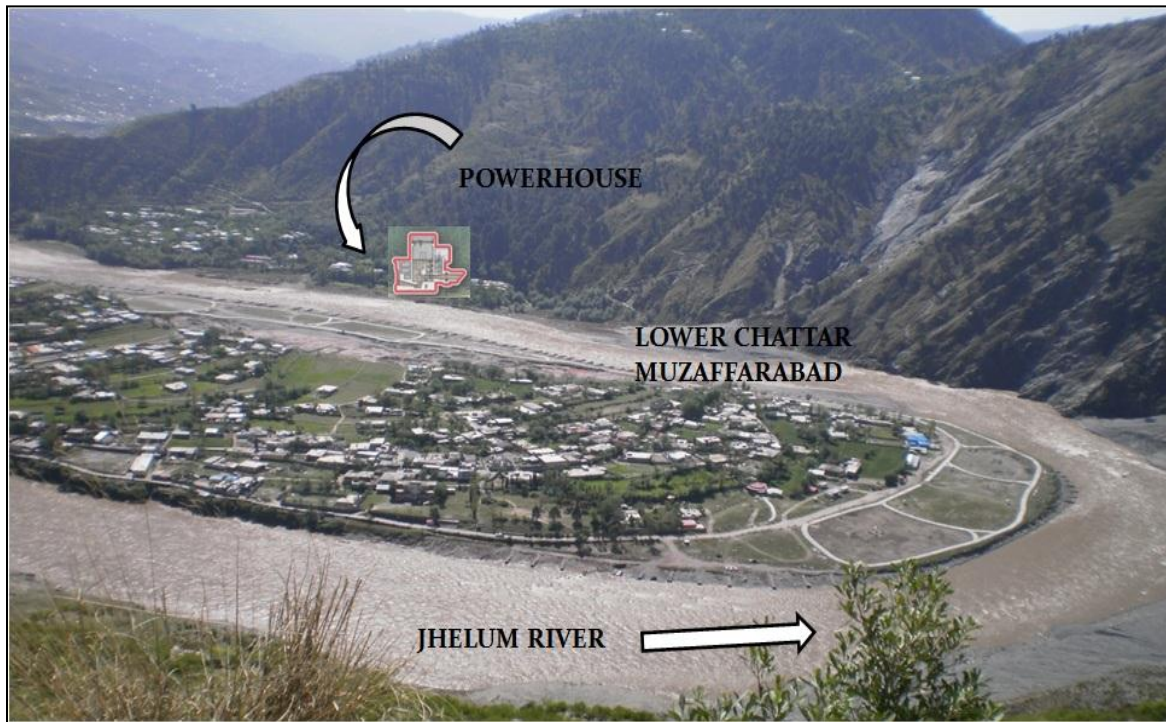
The construction of weir will result in a head pond. River Kunhar water will get diverted into a headrace tunnel discharging into the powerhouse located in Lower Chattar, District Muzaffarabad AJK. After the power generation the water will be led into river Jhelum by means of an open channel tailrace. A new bridge has been constructed to access the right bank for transportation of labour and equipment to the construction area of the powerhouse.

**Figure1.1: Location of Weir on Kunhar River near Patrind Village**





**Figure1.2: Location of Powerhouse on Left Bank of Jhelum River in Lower Chattar**



## **2. Scope of Land Acquisition and Resettlement for Project**

### **Land Acquisition**

Permanent Land Acquisition	790.10 Kanal
Temporary Land Acquisition	82.55 Kanal
<b>Total</b>	<b>872.65 Kanal (44.07 Ha)</b>

## **3. Resettlement Budget & Financing**

The resettlement and environmental cost of Patrind Hydropower Project is estimated as Rs. 568.03 million (US\$ 6.6 million). The cost of permanent land acquisition is the largest component at 86.6 % of the total environmental cost.

## **4. Economic implications on owners by land acquisition**

The total number of the affectees and displaced due to the house acquisition for the construction of powerhouse and submergence on AJK and KP side are estimated to be 171.

The land owners affected by the land acquisition stand around 94. However if we include the family members of such land owners, the affected number goes up to 1003.

Table 1.1 provides the details of the number of affected people and their income status.



**Table: 1.1 Number of Affected/Displaced Persons segregated gender wise and status of income**

Affected House Structures	AP/DP			Number of Employed		% Employed
	Male	Female	Total	Long Term	Short Term	
Power House AJK	57	49	106	24	27	44.31%
Head pond at Weir Site AJK	17	10	31	2	7	
Head pond at Weir Site KPK	11	13	24	0	10	
Diversion Tunnel at Weir Site	5	5	10	0	4	
<b>Subtotal</b>	<b>90</b>	<b>77</b>	<b>171</b>	<b>26</b>	<b>48</b>	
<b>Affected Land</b>						28.61%
Power House & Access Road (ALDA Village) AJK	104	92	196	32	56	
Colony of Expatriate construction staff, Switchyard, labour camp, access road, bridge, batching plant	0	0	0	0	0	
Weir Site Construction Area & Sandtrap AJK	6	4	10	0	3	
Reservoir Impounding (AJK)	322	279	601	37	156	
Reservoir Impounding (Deedal) KP	106	90	196	0	3	
<b>Subtotal</b>	<b>538</b>	<b>465</b>	<b>1003</b>	<b>69</b>	<b>218</b>	
<b>TOTAL</b>	<b>628</b>	<b>542</b>	<b>1170</b>	<b>95</b>	<b>266</b>	

Because of the heredity laws in Pakistan and AJK the land is divided amongst all heirs, leading to progressive small size of land holding unless an owner adds any land to his name through purchases. In the affected area of the Project with the exception of two individuals having 13 kanal of the land all other land holders have very small size of land to their names. Considering the rain-fed nature of the agriculture in the area – meaning low yield - and the small size, the farm land is also not the primary means of sustenance for the affected families. Consequently the local people depend on the other source of income for their livelihood such as business, jobs, services etc. Annex-6 of this RP represents the census and the status of the income of the land owners which clearly indicates that almost all the land owners have other source of income either short term or long term. As evident from the table about 28.61% of the Affected People /Displaced People (s) are employed having long term and short term employment. This 28.6% should not be seen as remaining 71.40% unemployment as the employment figure has been derived from the total number of affected population including women, who generally do not work in employment, and the children. None of the affected person is significantly affected economically from the loss of land.

## **5. Project Overall Positive Impacts**

Apart from generation of 147MW of electricity the project has following socio-economic impacts on the local level.

- Employment opportunities which will help mitigate local opposition if may develop
- the project will also stimulate local economy
- the project will reduce population emigration and help find work for local unskilled workers
- Local market will be benefited due to increase in demand of consumer goods
- Increased income in the project area will encourage the formation and growth of local businesses resulting in new indirect employment opportunities.

## **CONSTITUTIONAL SAFEGUARDS**

### **1. The Constitution of Pakistan**

#### **a. Protection of Property Rights**

Article 23 of the constitution of Pakistan establishes the right of every citizen to acquire, hold and dispose his/her property in any part of Pakistan. Article 24 of the constitution of Pakistan relating to the Protection of Property Rights is most important, and has direct relevance to the project Affected people. Its first two clauses are;

- i. No person shall be compulsorily deprived of his property save in accordance with law.
- ii. No property shall be compulsorily acquired or taken possession of save for a public purpose, and save by the authority of law which provides for compensation therefore and either fixes the amount of compensation or specifies the principles on and the manner in which compensation is to be determined and given.

These clauses forms the basis of the law formulated under the constitution for acquisition of property for public purposes. In AJ&K property rights are also protected under Section 4(4) of the AJ&K Interim Constitution Act of 1974, whereby property cannot be compulsorily acquired except for a public purpose and by an authority of law that provides compensation thereof.

#### **b. Land Acquisition Act (LAA) 1894**

The Land Acquisition Act 1894 is a “law for the acquisition of land needed for public purposes and for companies and for determining the amount of compensation to be paid on account of such acquisition”. The *raison de etre* of this piece of legislation is, therefore, two-fold: firstly to fulfil the needs of government and companies for land required by them for their projects, and secondly, to determine and pay compensation to those private persons or bodies whose land is so acquired. The exercise of the power of acquisition has been limited to public purposes. The principles laid down for the determination of compensation, as clarified by judicial pronouncements made from time to time, reflect the anxiety of the law-giver to compensate those who have been deprived of property, adequately. However, its provisions do not fully take into account the changed social, cultural, economic, political and environmental situation in Pakistan. It has been established through experience with various projects over the years that mere payment of cash compensation under the LAA is not enough

to restore livelihood and affected social environment. LAA basically governs the acquisition of private properties for public purposes for development projects in Pakistan. It comprises 55 Sections pertaining to: area notifications and surveys; acquisition; compensation and apportionment of awards; dispute resolution; penalties; and exemptions, but neither this nor any other law of the land, covers resettlement and rehabilitation of persons in the manner as a mandatory process according to current perceptions and requirements of the international financing agencies.

**c. Application of Land Acquisition Act to the Project**

The project is being developed under power policy 2002 of Government of Pakistan and is also adopted by Government of Azad Jammu & Kashmir.

AJK Council has issued Letter of Support (LOS) to the project which makes the project for the public purposes, wherein all necessary support has to be provided.

In the case of IR, the company is commencing all the civil works only after implementation of the RP (full payment of compensation, completion of relocation measures, if any, and livelihood measures in place) which then needs to be reflected in the implementation schedule.

**d. Comparison of Land Acquisition Act 1894 AND ADB Safeguard Policy Statement 2009**

ADB SPS requires compensation of APs irrespective of their legal titles as well as providing special assistance to vulnerable people. On the other hand, basic approach according to the local laws is to compensate the project affected peoples (APs) according to legal provisions and entitlements only. Further, ADB's policies take resettlement operations as a development program and emphasise on the livelihood restoration and sustainability of APs. Against this, the local laws aim to restore the livelihood of APs at least to the level before the project intervention.

- a) **Permanent acquisition:** legal/legalizable owners are compensated at replacement cost in the same area plus a 15% compulsory acquisition surcharge (CAS) on AJK side and 25% CAS on KP side free of taxes and transfer costs which is a routine addition to compensation at market rates under the LAA of 1894 in Pakistan; Leaseholders of public land will receive rehabilitation in cash equivalent to the market value of the gross yield of lost land for the remaining lease years (up to a maximum of three years). Encroachers will instead be rehabilitated for land use loss through a special self-relocation allowance.
- b) **Temporary acquisition:** legal/legalizable owners, tenants or encroachers will receive cash compensation equal to the average market value of each lost harvest for the

duration of the loss, and by the restoration of both, cultivable and uncultivable land, to pre-construction conditions. Contractors will be required to carry out restoration works.

- (i) Residential / Commercial Assets will be compensated at replacement value as follows:
  - a) Legal/legalizable owners have been compensated for lost structure at replacement cost in the same area based on market value of the lost structure plus a 15% compulsory acquisition surcharge (CAS) on AJK side and 25% CAS on KP side which is a routine addition to compensation at market rates under the LAA of 1894 in Pakistan. However for house acquisition, the process requires 25% deduction for the aging and related factors in the assessment of the houses which in case of Patrind Hydropower Project has not been deducted to ensure that the APs/DPs get market rates. Significant time and support with respect to the demolition of the houses and transportation of salvage material was provided to the structure owners by the Company and the EPC Contractor as a gesture of facilitation to the affected community.

The following methodology has been adopted for assessing the unit compensation rates:

- (i) Land has been valued at replacement cost in the same area based on current market values assessed and based on a survey of transactions.
- (ii) Houses and other structures have been valued at replacement cost in the same area, type and material of the affected item. No deductions have been made for depreciation, salvageable materials or transaction costs/taxes.
- (iii) Economic trees have been compensated at replacement cost in the same area based on the cost of wood Fruit bearing trees will be compensated based on the type and productive age of the fruits trees and market value of the produce for the remaining period of its average life.

## **2. Agriculture and other Professions in the Project Area**

Agriculture in Muzaffarabad and Abbottabad districts is the dominant economic activity. Majority of the farmers have their own simple irrigation systems using water of streams and springs. Wheat, maize and rice are the major crops. Crop yields are variable and the most reliable estimates of crop yields are wheat 470 Kg/Acre, maize 452 Kg/Acre, rice 320 Kg/Acre. Other professions followed by active male population of the project area are private businesses, service in government, and skilled/ semi-skilled labour.

### 3. Livelihood Activities

Livelihood activity in the project area is a little different on two sites i.e. weir and powerhouse site of the project area. There is almost no agriculture activity on powerhouse site rather people are involved in business and government jobs. About 6.63% of population at powerhouse site is engaged in business and about 9.95% is in government jobs because of nearness of Muzaffarabad city. Major percentage of earning population (21.5%) is involved in the labour works (daily wages). Out of the total population of the powerhouse area about 52% is unemployed. Out of the total earning population of the powerhouse area about 26% earns in the range of PKR 5,000 per month. A review is given in Table 4.3 based on the cadastral survey/interviews with the locals during the field surveys conducted in 2006, 2010 and 2011.

**Table: 1.2 Livelihood Sources on both sides of the Project Shown in Percentages, gender wise**

Type of Occupation	Area/Location Powerhouse-AJK		Area/Location Headpond-AJK		Area/Location Weir/Sandtrap-AJK		Total N=?	
	% Male	% Female	% Male	% Female	% Male	% Female	% Male	% Female
Labor	21.55%	0.00%	20.15%	0.00%	33.33%	0.00%	75.03%	0.00%
Shop keeper/Business	6.63%	0.00%	9.69%	0.00%	16.67%	0.00%	32.99%	0.00%
Private Job	4.97%	0.00%	1.53%	0.00%	0.00%	0.00%	6.50%	0.00%
Driving	3.87%	0.00%	13.78%	0.00%	0.00%	0.00%	17.65%	0.00%
Govt. Job	9.95%	0.00%	8.42%	0.00%	0.00%	0.00%	18.37%	0.00%
Retired Govt. Employee	1.10%	0.00%	0.00%	0.00%	0.00%	0.00%	1.10%	0.00%
Farmer	4.42%	0.00%	11.73%	0.00%	0.00%	0.00%	16.15%	0.00%
Unemployed	47.51%	0.00%	34.70%	0.00%	50.00%	0.00%	132.21%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>0.00%</b>



## **ADB External Monitor First Visit Findings**

### **1. Scope of External Monitoring**

In addition to internal M&E, projects require external (or independent) monitoring and evaluation to provide an objective and periodic assessment of resettlement implementation plans and their impacts. The contemporary monitoring conducted by REFUGE will be vital to verify internal M&E findings, and to suggest adjustment of delivery mechanisms and procedures. To function effectively, the external monitoring organization will be independent of the implementing agency. An important function of external agency will be verification of internal reports. The external expert will (i) verify the internal monitoring undertaken by the Company; (ii) conduct site visits and review resettlement implementation semi-annually; (iii) review records of compensation payments and verify provision of entitlements to affected people and meet with relevant district and provincial authorities involved in land acquisition; (iv) advise on safeguard compliance issue that arise in connection with the Project; (v) in the event of non-compliance, report to ADB any non-compliance identified and recommend corrective actions to be incorporated in the corrective action plan to be prepared by the Company. Monitoring by the external expert has been initiated in the month of November 2012. This External Monitoring will envisage all the three aspects of Monitoring i.e. Performance Monitoring, Impact Monitoring and Completion Audit. It is important to mention here that the first visit to the project area covers only two sites, namely; Village Saratti (KPK) and Village Alda (AJK)

### **2. Institutional Arrangements**

It revealed that Star Hydropower Pvt. Ltd. (the company/the sponsor) played a key role in implementing the resettlement components of the project. For the efficient implementation and management of resettlement activities, an Environmental Management and Monitoring Unit (EMU), headed by an environmental and social expert assisted by two ESI inspectors of the Company was established to head start the RP. The EMU remained responsible for implementing resettlement activities. The Company has developed a computerized database to maintain the data of the affected community.

### **3. Implementation Schedule**

Within the project cycle, the implementation schedule provided the time frame for commencement and completion of the resettlement activities which consist of community consultation, resettlement plan disclosure, inventory taking of lands/assets, payment of compensation including grievance redress, possession of land and assets for project implementation.

**4. Organizational Setup for Compensation payment:**

It was revealed that the resettlement related baseline data and scope of resettlement activities; the EMU will have adequate staff. The record of land and of land ownership is maintained in the District Revenue Departments in Abbottabad and Muzaffarabad. To initiate and proceed with land acquisition, District Revenue Officer (DRO) of each district was designated as Land Acquisition Collector (LAC). In the capacity of LAC, the DRO deputed adequate number of revenue officials to work with EMU staff for performance of functions in acquisition of land/ assets required for Patrind Hydropower Project implementation. Under Land Acquisition Act 1894 (LAA) only persons officially registered with land revenue department as owners or those who possess formal lease agreement are considered eligible for compensation.

**5. Meetings with Officers of the Government Departments**

On November 01-02, 2012, REFUGE's External Monitoring Team visited the below mentioned Offices of government officials to verify internal Monitoring & Evaluation findings. The External Monitoring Team was apprised of the project by sharing available information with them. These include Departments of Land Acquisition Collectors (LAC) and District Revenue Officers (DRO) in Muzaffarabad and Abbottabad (mentioned in the table below). The External Monitoring Team also obtained collected copies of the record of compensation paid to APs Patrind Hydropower Project. Record of meetings with relevant Government Department Officers is given in Table 1.



External Monitor with Officials of LAC & SHPL in Abbottabad

**Table: 1 Record of Meetings with Relevant Governments Officers**

Date	Place	Organization/ Person Consulted Position	Reason for visit Topics discussed
01-11-12	Abbottabad	1. District Revenue Officer 2. Muhammad Ilyas 3. SHPL Community Liaison Officer 4. Muhammad Bashir	Verification of compensation paid to APs
02-11-12	Muzaffarabad, AJK	1. Land Acquisition Collector (LAC) 2. Moazzam Gilani 3. SHPL Liaison Officer 4. Mr. Muhammad Akbar	Verification of compensation paid to Aps, compensation procedure adopted for PAPs by SHPL

**Table: 2 Statistics of villages Saratti**

S. No	Village Name	APs compensated	Area of Land	Actual Value	Value Paid
01	Saratti, KPK	215	188 Kanal, 14 Marlas 575,000/Kanal	12,585,409 PKR	108,502,500 PKR with 15% CAS
01	Village Name	APs compensated	No. of Houses	Disturbance Allowance	Value Paid
	Saratti, KPK	06	06	500,000 PKR fixed on each house	Value paid with disturbance allowance 11,469,389 PKR

**Table: 3 Statistics of village Alda**

S. No	Village Name	APs compensated	Area of Land	Actual Value	Value Paid
01	Alda, AJK	215	81 Kanal, 16 Marlas 920,000/Kanal	80,417,238 PKR	92,479,824 PKR with 15% CAS
01	Village Name	APs compensated	No. of Houses	Actual Value	
	Alda, AJK	27	27	500,000 PKR paid as disturbance on each house	Value paid 17,223,824

It is important to mention here that only 15% APs in Saratti are not paid yet as some are abroad and some are dead and payments are in process and will be paid after proper scrutiny.

Those householders who have not yet evacuated their premises, 25% of their compensation

has been withheld and will be paid after evacuation. Six houses out of 33 in AJK have not been paid family package as they are cattle sheds and not proper houses.

In the case of Alda 90% compensation has been as verified from the records of DRO & LAC office and remaining 10% will be paid after the production of power of attorneys (POAs) and death certificates of the owners by the next of kin. Land registry records for each parcel include the names of all beneficial owners. The compensation has been received only by the authorized representative with due considerations to women and men or husband and wife, and that any grievance emanating from the distribution of this compensation has been dealt amicably or according to the law.

## **6. Community Consultations**

The External Monitors through internal monitoring reports, discussions with line departments and community elders came to know that the process of Community consultations was started at an early stage in the project cycle. This ensured feedback from communities and other stakeholders directly or indirectly affected by the project to improve the project's design, planning, and implementation and help structure the project to be both environmentally and socially acceptable. The consultants held meetings with primary stakeholders to assess any potential issues that could be raised due to the project activities. The survey team visited five villages in total that may be affected from the activities of the proposed project. During these consultations a simple, non-technical description of the project was given, along with an overview of the project's likely human and environmental impacts. These consultations provided ample time and open forum to APs to raise their concerns beforehand and demand timely redress and adequate compensation in lieu of their assets.

## **7. SHPL Compensation Payment Procedure**

The External Monitoring Team found that the organizational setup followed as the basis of procedure for payment of compensation for acquisition of land and other assets. SHPL has developed a computerized database to deal with resettlement related data and activities to avoid any deficiency. The staff of Company and LAC conducted field surveys to physically identify the land/ other assets to be acquired for project implementation. Ownership of land/ assets was confirmed with reference to District Revenue Department records as well as by using all other available means. After valuation of land and other assets has been completed by Land Collector, payment of compensation was made to the Affected Persons out of the Government Treasury where the Company already deposited the assessed cost of the land/houses/tress.



## **8. Transparency of Compensation process**

The External Monitoring Team found out that in order to ensure transparency of the compensation process, implementing agency took the following measures;

- Public availability of acknowledgment/receipts.
- Payments of compensation directly to the Affectees through cross cheques in presence of the revenue officials and the witness.

The DRO offices revealed that these measures greatly helped in minimising the possibility of affectees not receiving full compensation.

## **9. Acknowledgment/receipt of Compensation**

The respective District revenue officers shared with External Monitors that an acknowledgment/receipt of Compensation for the landowners was also prepared in order to streamline compensation process in which the following particulars were noted on the receipt.

- Sr. No. as per the award issued
- Type of acquisition (land, house or trees)
- Name, Father's Name, CNIC No. of owner of land or other asset (entitled)
- Physical details of land/ asset including name of village.
- Value of land/ asset to be acquired and compensation due
- Cheque No. issued with date
- Signature/thumb impression of the recipient
- Witness Name, CNIC No. of the witness and his/her signature duly signed by the revenue official
- Signature/thumb impression of the witness

Copy of acknowledgment of Compensation was provided to LAC and the Company to ensure both transparency and subsequent cross checking of actual payments.

## **10. Grievance Redress**

Grievances are best redressed through project management, local civil administration, or other channels of mediation acceptable to all parties. During deliberations with the concerned Government Officials, SHPL Staff and local community, the External Monitors established that the project management made every effort to resolve grievances at the community level to the satiety of affected persons (APs).The AP's and local stakeholders were briefed on the function and responsibilities of the grievance redress committees and the grievance redress

procedures. The AP's appreciated and welcomed the establishment of the committees and voiced their support towards this initiative. They felt that such a mechanism would ensure that land replacement and compensation packages would be fair. Timely redress of grievances was vital and proved helpful to the satisfactory implementation and completion of the project on schedule.

## **11. Valuation of Assets**

During the External Monitors visit, it was revealed that the assets which were lost due to implementation of development projects include land, houses/ built-up property, crops and trees. In case of Patrind Hydropower Project, most significant impact is the loss of land due to reservoir impounding claiming the largest proportion. Valuation of land for compensation began with determining market value of land. The price paid within a reasonable time in bonafide transactions of lands in the neighborhood and possessing similar advantages like location, type of usage, level of productivity and by capitalizing the net annual income from the land. LAC, who has the authority to fix the market value, determined the realistic market value of land and considering, One year averages of land sales in the concerned area for the year immediately prior to the data of commencement of land acquisition, Location of land i.e. proximity to settlements, roads, etc, Type of land usage i.e. residential, agricultural, (irrigated, rain-fed) orchards, or other.

Any AP if dissatisfied with the compensation award has the right of appeal before the court of law or the established grievance redress mechanism established for the implementation of this RP. Nonetheless, it was discovered that majority of APs were satisfied with the compensation they received and were now in a position to plan a better and prosperous future for their children.

## **12. Valuation of Land, Houses, Crops and Trees**

Assets like built-up property have been valued at full replacement cost i.e. the amount sufficient to replace lost asset plus transition cost. In applying replacement cost method, depreciation of structures/ asset has not been taken into account. In case farmers are not permitted to harvest crops on land already acquired, due to exigency of construction schedule, cash compensation based on market value of crop will be made.

### **a. Affected Houses**

The External Monitors came to know that a total of 39 houses were being affected by the project implementation, 33 on the AJK side and 6 on the KP side, displacing a total of 171 persons. The house owners have been identified and have been paid compensation. Accurate figures are given in table 1.2 showing number of houses and amount paid to them.

### **b. Affected Trees**



A total of 624 trees will be affected by project implementation. These consist of 126 mixed fruit, 31 timber and 498 fuel wood trees. Apart from these trees the shrubs and flower plants have also been assessed which are estimated at 7,600 in Nos. During the visit, the External Monitors found that the trees were not only given to their real owners; but also transported to their houses free of cost after receiving full compensation by the company (SHPL).



External Monitor with Aps at village Alda

The ownership of the economic trees was determined by the agriculture Department during the detailed inventory of assets to be affected. Accordingly the total cost of trees to be cut due to project implementation is estimated at Rs. 3,524,211 for compensation. It is estimated that total number of 222 out of 624 trees will be submerged because of creation of pond behind the weir. All these trees may not be cut as many trees may withstand periodic shallow submergence. However, the compensation has been paid for all the trees. Since, the company is implementing the RP in a very systematic manner; some of the compensation of trees will be paid to APs in the next phase.

### **c. Value of Land**

The External Monitors discovered that market assessment in the project area as well as consultation with district revenue department officials were undertaken to arrive at prices of land. The market prices were assessed on the basis of recent market transactions and consultation with the affected persons and other community members; in most cases transactions are verbal and not documented.



External Monitor with AP at village Saratti

The price of the land per kanal on powerhouse area has been assessed at PKR 800,000 and on weir side PKR 500,000 by the revenue department of both the sides of the Project. Another important factor is that in the LAA 1984 the land to be acquired should be categorized as per its condition and yield but in case of Patrind Hydropower Project that has not been taken in to account and the rates for the top category have been assessed to ensure that the APs/DPs should get the replacement cost for the acquired land and resettle in the areas of their own choice.

**Table: 4 Land Prices in the Project Area**

Sr. No.	Type of Land	Powerhouse Site		Weir Site	
		Rate / Acre* (Rs.)	Rate / Acre** (US\$)	Rate / Acre* (Rs.)	Rate / Acre** (US\$)
1	Farmland	7,360,000	85,581	4,600,000	53,488
2	Wasteland	7,360,000	85,581	4,600,000	53,488
3	State owned/ Riverbed Land	7,360,000	85,581	4,600,000	53,488

\* Rate/ acre of land costs include 15% CAS for involuntary resettlement.

\*\* Exchange rate 1 US\$ = Rs. 86

**Table: 5 Permanent Land Acquisition**

Sr. No.	Area	Type of Land	Affected Area Kanal	Rate per Kanal	Estimated Cost	Total	CAS	Total with CAS
1	Power House & Access Road (ALDA Village) AJK	River Bed	13.60	800,000	10,880,000	65,440,000	9,816,000	75,256,000
		Farmland	30.10	800,000	24,080,000			
		Wasteland	38.10	800,000	30,480,000			
2	Weir Site & Sandtrap AJK	River Bed	0.00	500,000	0	25,100,000	3,765,000	28,865,000
		Farmland	1.50	500,000	750,000			
		Wasteland	48.70	500,000	24,350,000			
3	Reservoir Impounding (AJK)	River Bed	42.85	500,000	21,425,000	210,825,000	31,623,750	242,448,750
		Farmland	247.20	500,000	123,600,000			
		Wasteland	131.60	500,000	65,800,000			
4	Reservoir Impounding (Deedal) KP	River Bed	44.45	500,000	22,225,000	94,350,000	23,587,500	117,937,500
		Farmland	34.85	500,000	17,425,000			
		Wasteland	109.40	500,000	54,700,000			
5	Surge Tank, Access road to Surge Tank	River Bed	0.00	500,000	0	23,875,000	3,581,250	27,456,250
		Farmland	0.00	500,000	0			
		Wasteland	48	500,000	23,875,000			
	Total		790.10			419,590,000	72,373,500	491,963,500

**i. Cost of Temporary Land Acquisition**

The temporary land has been acquired on lease for 5 years.

**Table: 6 Cost of Temporary Land Acquisition**

Sr. No.	Area	Type of Land	Area Kanal	Rate per Kanal	Estimated Cost	Total
1	Labour camp, access road to the bridge, batching plant and workshop at powerhouse site	River Bed	54.75	2,300	1,511,100	11,391,900
		Farmland	0.00	0	0	
		Wasteland	27.80	2,300	767,280	
	Total		82.55			11,391,900

#### **d.Focused Group Discussion at Saratti**

During the visit of External Monitors on November 01, 2012, SHPL Staff arranged a focused group discussion with the APs of village Saratti. The FGD included elders of the community, focal persons, young residents and APs who remained involved with SHPL Staff during resettlement period. The monitoring team interviewed the APs one by one and verified the record obtained from the office LAC in Abbottabad. It was revealed during deliberations that majority of the APs were satisfied with the compensation they received and authenticity of transparency methodology embraced by the company. Discussion also took place amongst the participants on electricity shortage in the country and Patrind project as best viable project.



External Monitors with locals of village Saratti,

#### **e. Rapport Management between APs & SHPL Staff**

During the visit to the target area, the External Monitors discovered that good rapport exist between the site staff of SHPL and APs. The SHPL sites Staff was active enough to gather APs of the areas to retrieve information for monitoring and verification purposes. Most of the APs are known to the company staff by names and the payments they have received in compensation so far.

#### **f. Safety Measures**

The External Monitors expressed satisfaction over the safety measures adopted by SHPL in line with ADB rules. One of the examples is the MS sheets wall erected at both sites of the project i.e. Saratti and Alda. According to the locals and staff of SHPL, it has been productive in preventing any unpleasant incident as well as facilitates easy mobilization of locals and company staff.



Steel fence erected at Alda project site

#### **Reservations of APs**

- Due to blasting for tunnels, standing structures are being damaged
- Few recently established shops on the roadside of village Saratti have become non-Functional due to intervention of local Police
- Sewerage system for adjacent households of village Saratti needs to be resolved
- Local unskilled labour should be hired to work on project sites to avoid privacy issues and conflicts

## Prominent Case Studies:

1. Mr. \_\_\_\_\_ S/O \_\_\_\_\_ resident of village Saratti (KPK) received Rs: 4,600,000 on account of his house while 25% disturbance allowance will paid to him after he leaves the premises for dismantling by the company. His married son Mr. \_\_\_\_\_ also received Rs: 500,000 as disturbance allowance. His family is happy to receive such a hefty amount in the form of compensation and is planning for their future.



External Monitor with AP of Saratti

2. Mr. \_\_\_\_\_ S/O \_\_\_\_\_ received 5,078,000 for 9 kanal land and 1,3 62,000 for house compensation while remaining 25% disturbance allowance will be paid to him after he leaves the premises for dismantling by the company.
3. Mr. \_\_\_\_\_ resident of village Saratti (KPK) received Rs: 4,700,000 for the acquired land and Rs:1,600,000 for house compensation while remaining 25% disturbance allowance will be paid after he leaves the premises for dismantling by the company. His sister has received her share.
4. Widow of Mr. \_\_\_\_\_ resident of village Saratti (KPK) received Rs: 960,000 for her acquired land while brother of Mr. \_\_\_\_\_, Mr. \_\_\_\_\_ is abroad and will receive his compensation upon arrival.

5. Mr. \_\_\_\_\_ S/O \_\_\_\_\_ resident of village Alda (AJK) received Rs: 5,000,000 compensation for his 9 houses, Rs: 1,500,000 for 1.5 kanal land and Rs: 3,000,000 as disturbance allowance. In total, he received 9,500,000 including trees compensation. He has erected a new house for himself and now constructing separate new houses for his sons and daughters. He has eight sons and seven daughters. The



External Monitor with House owner of village Alda

External Monitors told him that the bridge across the Jhelum river shall be permanent and will be utilized by the company and the locals as well which will be a highly beneficial for the local residents of village ALDA. They shared that by constructing the bridge the life of the locals



will be changed because of the fact that there will be a major development in this area and the village will become a part of the city Muzaffarabad. His three daughters have also received their due inheritance share.



Houses under construction



Houses under construction

**Annexure 1**

**Census for the Affectees of Houses (ALDA Village)**

Sr. No.	Owner's Name	No. Of Houses	No. of Occupants	Gender		Status of Income of Adults	
				Male	Female	Long term Employment	Short term Employment
Powerhouse (Alda)							
1	A	1	27	18	9	6	3
2	B	1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1
3	C	1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1
4	D	1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1
5	E	1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1
6	F	1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1
7	G	1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1
8	H	1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1
9	I	1	7	4	3	1	1
10	J	1	Same as No. 9	Same as No. 9	Same as No. 9	Same as No. 9	Same as No. 9
11	K	2	Same as No. 9	Same as No. 9	Same as No. 9	Same as No. 9	Same as No. 9
12	L	1	Same as No. 9	Same as No. 9	Same as No. 9	Same as No. 9	Same as No. 9
13	M	1	7	3	4	1	2
14	N	1	10	7	3	10	7
15	O	1	Same as No. 14	Same as No. 14	Same as No. 14	Same as No. 14	Same as No. 14
16	P	1	Same as No. 14	Same as No. 14	Same as No. 14	Same as No. 14	Same as No. 14
17	Q	1	10	4	6	2	0
18	R	1	Same as No. 17	Same as No. 17	Same as No. 17	Same as No. 17	Same as No. 17
19	S	1	6	2	4	0	1
20	T	2	8	2	6	1	1
21	U	2	Same as No. 20	Same as No. 20	Same as No. 20	Same as No. 20	Same as No. 20
22	V	1	Same as No. 14	Same as No. 14	Same as No. 14	Same as No. 14	Same as No. 14



Sr. No.	Owner's Name	No. Of Houses	No. of Occupants	Gender		Status of Income of Adults	
				Male	Female	Long term Employment	Short term Employment
23	W	1	31	17	14	3	12
24	X	1	Same as No. 23	Same as No. 23	Same as No. 23	Same as No. 23	Same as No. 23
	<b>Sub-Total Alda (AJK)</b>	<b>27</b>	<b>106</b>	<b>57</b>	<b>49</b>	<b>24</b>	<b>27</b>
<b>Head pond at Patrind AJK</b>							
25	A	1	4	2	2	-	1
26	B	1	5	4	1	1	-
27	C	1	3	1	2	-	1
28	D	1	7	4	3	-	2
29	E	1	6	4	2	1	2
30	F	1	6	3	3	-	1
	<b>Sub-Total Patrind (AJK)</b>	<b>6</b>	<b>31</b>	<b>18</b>	<b>13</b>	<b>2</b>	<b>7</b>
	<b>Total AJK</b>	<b>33</b>	<b>137</b>	<b>75</b>	<b>62</b>	<b>26</b>	<b>34</b>
<b>Head pond at Sarati KP</b>							
1	A	1	13	6	7	0	5
2	B	1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1	Same as No. 1
3	C	1	11	5	6	0	5
4	D	1	Same as No. 3	Same as No. 3	Same as No. 3	Same as No. 3	Same as No. 3
	<b>Sub-Total Sarati (KP)</b>	<b>4</b>	<b>24</b>	<b>11</b>	<b>13</b>	<b>0</b>	<b>10</b>
<b>Diversion Tunnel at Weir Site</b>							
5	A	1	10	5	5	0	4
6	B	1	Same as No. 5	Same as No. 5	Same as No. 5	Same as No. 5	Same as No. 5
	<b>Sub-Total Diversion Tunnel (KP)</b>	<b>2</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>4</b>
	<b>Total (KP)</b>	<b>6</b>	<b>34</b>	<b>16</b>	<b>18</b>	<b>0</b>	<b>14</b>
	<b>Total (AJK+KP)</b>	<b>39</b>	<b>171</b>	<b>91</b>	<b>80</b>	<b>26</b>	<b>48</b>

## Annexure 2

### Houses Directly Affected by Project Implementation

Sr. No.	Owner's Name	No. Of Houses	No. of Occupants	No. of Rooms			No. of Kitchen	No. of Bathroom
				Type B	Type C	Type D		
Power House at Alda AJK								
1	A	1	27	7	7	2	3	3
2	B	1	Same as No. 1	-	-	2	-	1
3	C	1	Same as No. 1	1	3	-	1	1
4	D	1	Same as No. 1	-	2	-	1	1
5	E	1	Same as No. 1	-	2	1	1	1
6	F	1	Same as No. 1	1	2	-	1	1
7	G	1	Same as No. 1	2	-	2	2	1
8	H	1	Same as No. 1	-	2	-	1	1
9	I	1	7	6	-	2	2	2
10	J	1	Same as No. 9	-	7	-	1	1
11	K	2	Same as No. 9	4	3	2	1	2
12	L	1	Same as No. 9	1	1	1	1	1
13	M	1	7	1	1	-	1	1
14	N	1	10	5	-	-	1	1
15	O	1	Same as No. 14	1	-	-	-	1
16	P	1	Same as No. 14	1	-	2	1	1
17	Q	1	10	-	-	2	1	1
18	R	1	Same as No. 17	2	-	-	1	1
19	S	1	6	1	-	2	1	1
20	T	2	8	2	5	-	2	1
21	U	2	Same as No. 20	1	-	2	1	1
22	V	1	Same as No. 14	1	-	2	1	1
23	W	1	31	-	2	-	-	-
24	X	1	Same as No. 23	4	-	-	-	2
	Sub-Total Powerhouse (AJK)	27	106	41	37	22	25	28

Sr. No.	Owner's Name	No. Of Houses	No. of Occupants	No. of Rooms			No. of Kitchen	No. of Bathroom
				Type B	Type C	Type D		
Headpond at Patrind AJK								
25	A	1	4	2	1	-	1	1
26	B	1	5	2	2	-	1	1
27	C	1	3	1	2	1	1	1
28	D	1	7	1	2	-	1	1
29	E	1	6	2	1	1	1	1
30	F	1	6	1	1	1	1	1
	Sub-Total Headpond (AJK)	6	31	9	9	3	6	6
	Total AJK	33	137	50	46	25	31	34
Headpond at Sarati KP								
1	A	1	13	4	5		2	4
2	B	1	Same as No. 1	2	-	-	1	1
3	C	1	11		4		1	1
4	D	1	Same as No. 3	3	-	-	1	2
	Sub-Total HeadpondSarati (KPK)	4	24	9	9	0	5	8
Diversion Tunnel at Weir Site KPK								
5	A	1	10	-	7	-	1	1
6	B	1	Same as No. 5	-	5	1	1	2
	Sub-Total DT (KPK)	2	10	0	12	1	2	3
	Total (KPK)	6	34	9	21	1	7	11
	Total (AJK+KPK)	39	171	59	67	26	38	45

### Annexure 3

#### Cost of Affected Houses

Sr. No.	Owner's Name	No. Of Houses	No. of Occupants	Type of Construction	Cost PKR	CAS 15%	Total Cost PKR
<b>Power House Alda (AJK)</b>							
1	A	1	27	R.C.C	336,425	50,464	386,889
2	B	1	Same as No. 1	R.C.C	1,173,457	176,019	1,349,476
3	C	1	Same as No. 1	Shed	858,148	128,722	986,870
4	D	1	Same as No. 1	Shed	1,051,494	157,724	1,209,218
5	E	1	Same as No. 1	Shelter	50,295	7,544	57,839
6	F	1	Same as No. 1	Cattle Shed	353,687	53,053	406,740
7	G	1	Same as No. 1	Mud House	501,324	75,199	576,523
8	H	1	Same as No. 1	R.C.C	342,302	51,345	393,647
9	I	1	7	R.C.C	463,346	69,502	532,848
10	J	1	Same as No. 9	R.C.C	1,180,671	177,101	1,357,772
11	K	2	Same as No. 9	R.C.C Cattle Shed	410,582	61,587	472,169
12	L	1	Same as No. 9	Cattle Shed	141,211	21,182	162,393
13	M	1	7	Shed	330,671	49,601	380,272
14	N	1	10	R.C.C	972,136	145,820	1,117,956
15	O	1	Same as No. 14	Shed	1,296,170	194,426	1,490,596
16	P	1	Same as No. 14	Mud House	206,000	30,900	236,900
17	Q	1	10	Mud House	891,084	133,663	1,024,747
18	R	1	Same as No. 17	Cattle Shed	297,515	44,627	342,142
19	S	1	6	Shed	1,567,452	235,118	1,802,570
20	T	2	8	Shed	1,718,757	257,814	1,976,571
21	U	2	Same as No. 20	R.C.C	614,107	92,116	706,223

Sr. No.	Owner's Name	No. Of Houses	No. of Occupants	Type of Construction	Cost PKR	CAS 15%	Total Cost PKR
22	V	1	Same as No. 14	Cattle Shed	135,873	20,381	156,254
23	W	1	31	Shelter	59,111	8,867	67,978
24	X	1	Same as No. 23	Shelter	25,420	3,813	29,233
	<b>Sub-Total (AJK)</b>	<b>27</b>	<b>106</b>		<b>14,977,238</b>	<b>2,246,586</b>	<b>17,223,823.7</b>
<b>Head pond at Patrind (AJK)</b>							
25	A	1	4	C.G Sheet	455,056	68,258	523,314.00
26	B	1	5	R.C.C	2,290,858	343,629	2,634,487.0
27	C	1	3	C.G Sheet	1,789,555	268,433	2,057,988.0
28	D	1	7	C.G Sheet R.C.C	1,423,582	213,537	1,637,119.0
29	E	1	6	C.G Sheet Mud	635,410	95,312	730,721.00
30	F	1	6	C.G Sheet	276,934	41,540	318,474.00
	<b>Sub-Total Patrind (AJK)</b>	<b>6</b>	<b>31</b>		<b>6,871,395</b>	<b>1,030,709</b>	<b>7,902,103.00</b>
	<b>Total AJK</b>	<b>33</b>	<b>137</b>		<b>21,848,633</b>	<b>3,277,295</b>	<b>25,125,927</b>
Sr. No.	Owner's Name	No. Of Houses	No. of Occupants	Type of Construction	Cost PKR	CAS 25%	Total Cost PKR
<b>Head pond at Sarati (KPK)</b>							
1	A	1	13	R.C.C C.G Sheet	4,183,796	1,045,949	5,229,745
2	B	1	Same as No. 1	R.C.C	1,790,763	447,691	2,238,454
3	C	1	11	C.G Sheets	517,608	129,402	647,010
4	D	1	Same as No. 3	R.C.C	1,265,137	316,284	1,581,421
	<b>Sub-Total-HP Sarati (KPK)</b>	<b>4</b>	<b>24</b>		<b>7,757,304</b>	<b>1,939,326</b>	<b>9,696,630</b>
<b>Diversion Tunnel at Sarati (KPK)</b>							
5	A	1	10	R.C.C Mud	1,178,460	294,615	1,473,075
6	B	1	Same as No. 5	R.C.C Mud	1,356,975	339,244	1,696,219
	<b>Sub-Total-DT Sarati (KPK)</b>	<b>2</b>	<b>10</b>		<b>2,535,435</b>	<b>633,859</b>	<b>3,169,294</b>
	<b>Total KPK</b>	<b>6</b>	<b>34</b>		<b>10292739</b>	<b>2573184.8</b>	<b>12865923.75</b>
	<b>Grand Total (AJK+KPK)</b>	<b>39</b>	<b>171</b>		<b>32,141,372</b>	<b>5,850,480</b>	<b>37,991,850</b>