

Resettlement Framework

March 2015

PAK: Power Distribution Enhancement Investment Program 2

Prepared by the project preparatory consultant, on behalf of the power distribution companies of the Government of Pakistan, for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of March 2015)

Currency unit	—	Pakistan rupee/s (Pre/PRs)
Pre1.00	=	\$
\$1.00	=	Prs

ABBREVIATIONS

ADB	—	Asian Development Bank
AMI	—	Advanced Metering Infrastructure
AMR	—	Automated Meter Reading
AMM	—	Automated Meter Management
CSO	—	Civil Society Organization
CPID	—	Consultation, Participation and Transformation Disclosure
DP	—	Displaced Persons
DMS	—	Detailed Measurement Survey
EA	—	Executing Agency
EMA	—	External Monitoring Agency
GOP	—	Government of Pakistan
GRM	—	Grievance Redress Mechanism
GRC	—	Grievance Redress Committee
IESCO	—	Islamabad Electric Supply Corporation
IR	—	Involuntary Resettlement
IOL	—	Inventory of Losses
IPSA	—	Initial Poverty and Social Assessment
KPK	—	Khyber Pakhtunkhwa
LESCO	—	Lahore Electric Supply Corporation
LAR	—	Land Acquisition and Resettlement
LAA	—	Land Acquisition Act
LAC	—	Land Acquisition Collector
MFF	—	Multi-tranche Financial Facility
NGO	—	Non-governmental Organization
PMU	—	Project Management Unit
PIU	—	Project Implementation Unit
RMR	—	Remote Metering Reading
SIA	—	Social Impact Assessment
SPRSS	—	Summary Poverty Reduction and Social Strategy
SPS	—	Safeguard Policy Statement

SC — Supervision Consultants
WAPDA — Water and Power Development Authority

GLOSSARY

Affected person	Persons in the project's area of influence experiencing economic, social or environmental impacts
Compensation	Payment in cash/voucher or kind to which the affected people are entitled in order to replace the lost asset, resource or income.
Cut-off date	Eligibility for entitlements under this updated LARF is limited by a cut-off date, to be determined and disclosed at the time of social impacts assessment (SiA) survey, census of displaced persons (DPs), inventory of losses (IOL) and socioeconomic baseline survey.
Detailed measurement survey	Exact description and quantification of all lost assets by qualified appraisal experts.
Displaced person	Person affected by involuntary acquisition of land or involuntary restrictions on land use resulting in physical or economic displacement.
Economic displacement	Loss of land, assets, access to assets, income sources, or means of livelihoods as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
Entitlements	All compensation, relocation and income restoration measures due to displaced persons, specified by their property status and particular losses.
Income rehabilitation	Assistance to restore and/or improve the incomes of displaced persons through allowances and provision of alternative means of income generation.
Involuntary resettlement	Development project results in unavoidable resettlement losses that people affected have no option but to rebuild their lives, incomes and asset bases elsewhere.
Non-titled displaced person	Displaced persons without formal legal rights to land or claims to land recognized or recognizable under national law; eligible for compensation of non-land assets.
Replacement cost	Compensation for acquired land, structures and other assets, including (i) fair market value, (ii) transaction costs, (iii) interest accrued, (iv) transitional and restoration costs, and (v) other applicable payments, if any.
Socio-economic survey	Assessment of the social and economic conditions of the displaced persons through a combination of quantitative and qualitative research methods, providing a baseline for monitoring and evaluation.

Temporary land occupation	The use of or impacts on land and immovable property outside the right of way of the project caused temporarily by civil works related activities.
Vulnerable person	Distinct group of people who may suffer disproportionately from resettlement effects. The policy defines vulnerable groups as households below the poverty line, the elderly, female headed households, and disabled headed households, those without legal title to assets, landless, women, children and indigenous people.

{WEIGHTS AND MEASURES}

{symbol 1 (full name 1)}	-	{Definition 1}
{symbol 2 (full name 2)}	-	{Definition 2}
{symbol 3 (full name 3)}	-	{Definition 3}

NOTES

- (i) The fiscal year (FY) of the Government of the Islamic Republic of Pakistan and its agencies ends on 30 June. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g., FY2015 ends on 30 June 2015.
- (ii) "\$" refers to US dollars

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I. INTRODUCTION

1. **Investment program.** The Government of Pakistan has initiated major reforms to eliminate significant and long-term problems within the power sector. One important issue is the need to increase the financial viability and reliability of the power distribution system, which would lead to cost savings for distribution companies (DISCOs) and power consumers, and improve the consumers' quality of life and the overall economic activity.

2. In this context, the Government is starting a large-scale program to introduce advanced metering infrastructure (AMI) to DISCOs. The investment program will be implemented in different phases through the Asian Development Bank's (ADB) multitranche financing facility, with the goal of achieving significant AMI coverage across Pakistan's major cities and hubs of industrial activity. The investment program will be sufficient to cover the costs of purchasing and installing the smart metering technologies and the necessary supporting infrastructure. The executing agencies for each of the subprojects will be Islamabad Electric Supply Company (IESCO), Lahore Electric Supply Company (LESCO) for Tranche 1; and other DISCOs in Peshawar, Quetta, Faisalabad, Gujranwala, Hyderabad, Multan, and Hyderabad for subsequent tranches.

3. **Land acquisition and resettlement (LAR) assessment.** The investment program, including Tranche 1, is not expected to have LAR impacts. This land acquisition resettlement framework (LARF) was prepared to mitigate any impacts, should they arise, for future subprojects. IESCO and LESCO prepared the LARF based on ADB's Safeguard Policy Statement (SPS 2009), and the Pakistan's Land Acquisition Act (LAA) of 1894.

II. ASSESSMENT OF LEGAL FRAMEWORK AND INSTITUTIONAL CAPACITY

A. Pakistan's Law and Regulatory System for Land Acquisition and Resettlement

4. LAA 1894, with its successive amendments, is the main law regulating land acquisition for public purpose at federal and provincial levels through the right of exercise of eminent domain. LAA 1894 has been variously interpreted by provincial governments, and some provinces have augmented it by issuing provincial legislations.

5. Based on LAA 1894, only legal owners and tenants registered with the Land Revenue Department or with formal lease agreements are eligible for compensation/livelihood support. For those without title rights, there are no applicable laws either at the federal or in the provinces. LAA 1894 also neither openly mandates specific rehabilitation/ assistance provisions benefiting the poor, vulnerable groups, or severely affected displaced persons (DPs), nor overtly provides for compensating for income/livelihood losses or resettlement costs. However, this is often done in many projects through ad hoc arrangements negotiated between an executing agency and the DPs.

B. ADB's Safeguard Policy Statement (2009)

6. The SPS 2009 aims to (i) avoid involuntary resettlement wherever possible; (ii) minimize involuntary resettlement by exploring project and design alternatives; (iii) enhance, or at least restore, the livelihoods of all DPs in real terms relative to pre-project levels; and (iv) improve the standards of living of the displaced poor and other vulnerable groups.

7. Each subproject is first categorized as A, B, or C based on its expected LAR impacts. The definitions and reporting requirements of these categories are summarized in Table 1.

Table 1: ADB Involuntary Resettlement Categories

Category	Project Impact	Reporting Requirement
A	A proposed project is likely to have significant involuntary resettlement impacts.	A resettlement plan, which includes assessment of social impacts, is required.
B	A proposed project includes involuntary resettlement impacts that are not deemed significant.	
C	A proposed project has no involuntary resettlement impacts.	No further action is required.

C. Bridging Pakistan and ADB's Land Acquisition and Resettlement Requirements

8. To resolve the gaps between LAA 1894 and SPS 2009 in Table 2, LAR policy principles for the investment program (Chapter III) were agreed between the Government and ADB. These include a comprehensive statement on the conditions for subproject approval, and other requirements in case LAR will be required for a future subproject.

Table 2: Comparison of LAA 1894 and SPS 2009

Pakistan's Land Acquisition Act of 1894	ADB Safeguards Policy Statement (2009)
Does not have a national or provincial policy on resettlement and rehabilitation of APs.	Provides a policy on involuntary resettlement and rehabilitation of APs with principles, objectives and procedures for implementation
No specific requirement for consultation and disclosure to DP/APs. The decisions regarding land acquisition and the rate/amount of compensation to be paid are published in the official Gazette which is notified in accessible places so that the people affected are informed	Meaningful consultation, timely disclosure of relevant information, and participation in LAR planning is required
No law or policy requires preparation and disclosure of LARPs.	Preparation of draft and final LARPs is required, and their disclosure to DPs on the EA and ADB's websites.
Grievance redress mechanism is required through the formal land acquisition process or through appeals to the court. Land Acquisition Collector is the pre-land award authority to make decision on objections.	Need to establish grievance redress mechanism scaled to risks and impacts at the project and field levels.
Focus census and socio-economic survey is not required	Focus census and socio-economic survey are required to determine the nature and extent of the impact, and develop the entitlement package for the compensation (as per replacement value) and rehabilitation of DPs
The cut-off date is defined at the time of issuance of section 4 under LAA	Eligibility for entitlements under the LARF is limited by a cut-off date, determined at the time of social impact assessment, census of DPs, inventory of losses, (and socioeconomic baseline survey.

Pakistan's Land Acquisition Act of 1894	ADB Safeguards Policy Statement (2009)
Land is acquired strictly following vague procedures in the LAA.	Eminent domain is recognized and subject to social safeguard provisions
Land Valuation through negotiation is not encouraged	Negotiated land acquisition is encouraged and subject to social safeguard provisions
Only titled persons are eligible for differential entitlements	All physically and economically DPs, including titled and non-titled, are eligible for differential entitlements, depending upon the nature of the impact.
Compensation paid to only the title-holders	Lack of title should not be a bar to compensation. Requires equal treatment of those without clear land titles (for example squatters, or other informal settlers) in terms of their entitlement to resettlement assistance and compensation for loss of non-land assets. Titled and non-titled DPs with legally recognizable claims to land are entitled to land for land of equivalent value, and quality or cash compensation at replacement value
The valuation of structures is based on official rates with depreciation deducted from gross value of the structure, and also 15% of the value of salvage materials,	Replacement of structures or cash compensation is based on replacement value of structures without deducting any depreciation cost.
Damages done to land and structures are to be paid	Restoration/provision of civic infrastructure and community services are required.
Land valuation is based on the median registered land transfer rate over the 3 years prior to Section 4 of LAA being invoked. 15% compulsory land acquisition charges are paid over and above the assessed compensation. However, recent practice is that prices are calculated based on registered transactions of 1 year from the date of announcing section 4 of LAA.	Land valuation is based on the full replacement cost, including fair market value, transaction costs, interest accrued, transitional and restoration costs, and other applicable payments without depreciation. Land valuation to be done by qualified and experienced experts.
Only compensation is paid but not resettlement allowances and/or any income restoration support. There is no mechanism to ensure payment is made before displacement.	Compensation of lost incomes and livelihood sources at full replacement cost; credit, training and employment assistance; project development benefits
There is no provision for security of tenure, better housing, transitional support, infrastructures and services.	Secure tenure, better housing, transitional support, infrastructure and services are required.
No specific provision in LAA. DPs are required to vacate the right of way after the land is possessed regardless whether compensation or not	No physical or economic displacement will happen until the compensation is not paid, other entitlements have been provided and income and livelihood program is in place
Monitoring and assessment of IR outcomes and disclosure of monitoring reports is not the requirement of LAA	Monitoring and assessment of IR outcomes; disclosure of monitoring reports are required here.

D. LAR Management Capacity of Power Distribution Companies

9. XXXXX

IV. LAND ACQUISITION AND RESETTLEMENT POLICY FOR THE INVESTMENT PROGRAM

A. Scope of Subprojects

10. The investment program will involve installation of AMI comprising (i) smart meters; and (ii) communication and data management, billing, and customer information systems. These activities will be carried out mainly within existing neighborhoods, and will not involve civil works.

B. Involuntary Resettlement Categorization

11. The investment program, including the subprojects under Tranche 1, is classified as category C as defined in ADB SPS 2009. Hence, no other action, including a land acquisition resettlement plan (LARP), is required.

12. Future subprojects under the investment program will be screened by the DISCOs for expected LAR impacts at appraisal. Using ADB's involuntary resettlement categorization form, the subproject will be classified based on the significance of the impacts, and planning measures will be prepared accordingly. A Summary Poverty Reduction and Social Strategy, indicating, among others, LAR issues, impact severity, and planning actions will also be submitted.

C. Requirements for Subprojects with Land Acquisition and Resettlement

13. The DISCOs will select future subprojects under the investment program which will avoid, minimize or mitigate involuntary LAR impacts causing physical and/or economic displacement. However, in case LAR is required for later tranches, the requirements below will apply.

14. **LARP preparation.** If exact alignments are not yet known, a draft LARP will be prepared using the outline in Appendix 1. Otherwise, if a detailed engineering design is available, comprehensive and accurate measurements of actual impacts will be undertaken, and a final LARP will be prepared. Each draft, final or updated LARP will be submitted to ADB for review/approval, endorsed by the borrower/client and disclosed on the ADB website.

15. **Grievance redress mechanism.** A grievance redress mechanism with representation of all stakeholders will be established at the time of project inception. Details are in Appendix 2.

16. **Social impact assessment.** A comprehensive assessment of social impacts, involving (i) census of all displaced persons, and an inventory of their lost assets;¹ (ii) socio-economic

¹ At the beginning of census and inventory of lost assets, the DISCO and project implementation consultant will work closely with the design engineers to minimize LAR impacts as much as technically feasible and document such efforts in the LARP. In cooperation with the concerned land administration officials, they will also prepare LAR impact maps showing the alignment of project facilities and, based on cadastral maps, boundaries of properties so the affected land and structures can be identified. These maps will also be included in the LARP. The land administration officials will also be requested to provide existing records for the DPs and lost assets. Based on

survey of a sample of at least 10 percent of displaced persons; and (iii) detailed measurement survey and valuation of all lost assets as well as an assessment of lost incomes will be carried out. An eligibility cut-off date will be declared and formalized when the social impacts assessment survey and census of DPs are completed.

17. **Compensation for and restoration of lost assets.** Negotiated land acquisition will be preferred. The ADB SPS 2009 requirements will apply to such negotiated settlement. If negotiated settlement fails, the land will be acquired through Pakistan's LAA 1894 but with the replacement costs awarded for compensation to the DPs.

18. Qualified valuation experts will be engaged to assess the value of all lost assets following legally sanctioned principles of LAA 1894 and the ADB involuntary resettlement safeguard norm of replacement cost and value as stipulated in ADB's LAR policy principle 10.

19. Compensation of land and structures will be done at replacement value, either through the replacement of land or structures of equivalent or higher value and quality, or through cash compensation at replacement cost. Replacement costs include fair market value, transaction costs, interest accrued, transitional and restoration costs, and other applicable payments without depreciation. For replacement of land or structures, all transaction costs will be paid by the project or included in compensation payments to the DPs. The value of structures will not be depreciated for age. Incomes and livelihood sources lost, including but not restricted to crops and trees or interruption of business activities and employment, will be fully compensated at replacement cost.

20. All lost civic infrastructure and community services will be either restored or newly provided at relocation sites.

21. **DP entitlements.** All titled and non-titled DPs occupying land to be acquired by the project before the cut-off date² will be eligible for compensation, relocation and rehabilitation measures, as applicable, regardless of whether the impacts are permanent or temporary, full or partial. Non-titled DPs without legally recognizable claims to land will be eligible for all compensation, relocation and rehabilitation measures, except land. The full eligibility of non-titled DPs with legally recognizable claims to land will be recognized.

22. DPs permanently losing incomes and livelihood sources, as well as poor and vulnerable DPs, are entitled to credit, training and employment assistance to maintain or improve their livelihoods. All DPs will be provided opportunities to share development benefits of the project, if feasible.

23. DPs will not be physically or economically displaced before compensation has been paid, other entitlements have been provided and an income and livelihood program is in place.

these records and the LAR impact maps, DISCO and project implementation consultant will undertake the census and inventory of lost assets, in consultation with DPs at each affected property.

² Such eligible DPs include the following: (i) owners of land and/or structures, including those recognized as legally titled or legalizable on the basis of claims recognizable under national law; (ii) lessees (leaseholders) of state or private land, whether long-term or short-term; (iii) sharecrop tenants with or without formal legal registration according to national law; (iv) non-titled occupants of land, such as squatters or encroachers; (v) business owners, whether registered under national law or informal; (vi) employees of private or public businesses or enterprises, whether registered under national law or informal; (vii) cultivators of crops and/or trees, irrespective of legal status of property relation to land; (viii) vulnerable persons, including households headed by women, elderly and/or disabled persons, and households (in local context) with per capita incomes at or below the official poverty line.

Relocated DPs will receive secure tenure to replacement land, better housing, transitional support and access to civic infrastructure and services.

24. The above and other entitlements are in the entitlement matrix in Appendix 3. The entitlement matrix indicates each type of loss, and the corresponding entitlements applicable to the specific condition and impact on displaced households.

25. For unanticipated impacts during subproject implementation which are not covered under the eligibility and entitlement provisions, additional eligibility and entitlement provisions will be determined following LAA 1894 and SPS 2009. The LARP will be updated with these new provisions, and the DPs will be consulted. The standards for the eligibility and entitlement provisions shall be maintained, and may be raised.

26. **Consultation, participation, and information disclosure to DPs.** The DPs (if any) will be given an opportunity to participate in LAR planning in a form accessible and understandable to them. The DPs' concerns will be fully taken into account, and appropriate steps will be taken to resolve them. The consultations will involve relevant stakeholders, including community leaders, host communities, civil society organizations, NGOs, and the district government. Such consultation will be an ongoing process starting with field investigations for the design of the project alignment, until after the final evaluation of LARP implementation.

27. Formal consultation meetings will be held with all DPs. In particular the DPs will be informed about their rights and obligations under the LARP, institutional arrangements, procedures, and the grievance redress mechanism (GRM). During LARP preparation, the official eligibility cut-off date for the subproject will be announced at every meeting with DPs. Every revision and update of the draft LARP shall require a new disclosure and consultation meeting with DPs. Any critical issue and complaint will be raised, discussed and resolved (if possible).

28. **LARP monitoring, evaluation, and reporting.** The effectiveness of LARP implementation, particularly the impacts on the DPs' livelihood, will be monitored during and evaluated after the subproject. LARP tasks will be monitored internally and externally until the subproject is completed. The extent of monitoring activities, including their scope and timing, will be commensurate with the subproject risks and impacts. Monitoring reports will need to be prepared monthly, quarterly and annually.

29. The DISCOs will carry out internal monitoring at the PMU level. Internal monitoring indicators will relate to process, and outputs and results. Information will be collected directly from the field, and reported monthly to the PMU to assess the LARP implementation progress and adjust the work plan if necessary. Specific benchmarks will be based on the approved LARP, including the (i) status of land acquisition and payments on land compensation; (ii) compensation for affected structures and other assets, and loss of income; (iii) relocation of DPs; (iv) selection and distribution of replacement land areas; and (v) income restoration activities.

30. Gender mitigation measures in the LARP will also be monitored and reported. Gender-disaggregated information versus the internal monitoring indicators will be collected by the PMU through (i) review of project information for all DPs, (ii) consultation and informal interviews with DPs; (iii) key informant interviews, and (iv) community meetings.

31. External monitoring will be assigned to an independent external monitoring agency (EMA) who will be hired by the DISCO, with ADB's concurrence, before LARP implementation. The external monitor will:

- (i) Review and verify internal monitoring reports prepared by PMU SIUs.
- (ii) Review baseline information from socio-economic survey, census, and inventory of losses of pre-displaced persons, and update the baseline data if required.
- (iii) Identify and select impact indicators.
- (iv) Assess impacts through formal and informal surveys with the affected persons.
- (v) Consult DPs, officials, and community leaders for preparing the review report.
- (vi) Assess resettlement efficiency, effectiveness, impact, and sustainability, drawing lessons for future resettlement policy formulation and planning.
- (vii) Ensure that gender mitigation measures in LARP are adhered to during monitoring.
- (viii) Assess the reporting of affected vulnerable groups, such as female-headed households, disabled/elderly, the landless, and families below the poverty line.

32. Indicators for external monitoring and evaluation will be based on the:

- (i) socio-economic conditions of the DPs in the post-resettlement period;
- (ii) communications and reactions from DPs on entitlements, compensation, options, alternative developments and relocation timetables etc;
- (iii) changes in housing and income levels;
- (iv) rehabilitation of squatters, severely affected people, and different vulnerable groups;
- (v) valuation of property;
- (vi) ability to replace lost assets;
- (vii) disbursement of compensation and other entitlements;
- (viii) level of satisfaction of DPs in the post resettlement period;
- (ix) quality and frequency of consultation and disclosure; and
- (x) grievance procedures.

33. If significant issues are identified in the external monitor's report, a corrective action plan will be prepared, reviewed and approved by ADB, and disclosed to the affected persons.

34. **Land acquisition and resettlement budgeting.** Each LARP will present a budget for the full cost of LAR implementation, including for compensation, relocation and rehabilitation, administration, monitoring and contingency. Each LARP will include and observe the arrangements for financing and disbursement stipulated in this LARF.⁴ The DISCO is responsible for timely allocating the funds to implement the LARPs. The allocations will be reviewed bi-annually.

⁴ The budget for land, crop and structures (the compensations included in award) compensation will be deposited by the DISCO in the District Treasury under Head/Account "Revenue Deposits" through the District Collector (Revenue and Estate) Office. The compensation claim with a statement of record of rights (Jamanbandi) issued and verified by the local revenue authorities, will be submitted to the Land Acquisition Collector by the DPs who, after receipt of claim, will verify ownership title, land acquired and claimed amount with respect to all assets, including land with support from the land and revenue staff. After verification, the Land Acquisition Collector shall issue a payment voucher in the name of DPs which will be credited in the DPs account from revenue deposits in District Treasury by District Accounts Officer.

OUTLINE OF A LAND ACQUISITION AND RESETTLEMENT PLAN

A resettlement plan is required for all projects with involuntary resettlement impacts. Its level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the resettlement plans, although not necessarily in the order shown.

A. Executive Summary

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

B. Project Description

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

C. Scope of Land Acquisition and Resettlement

- (i) Discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
- (ii) Describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
- (iii) Summarizes the key effects in terms of assets acquired and displaced persons; and
- (iv) Provides details of any common property resources that will be acquired.

D. Socioeconomic Information and Profile

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

- (i) Define, identify, and enumerate the people and communities to be affected;
- (ii) describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- (iii) Discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- (iv) Identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

- (i) Identifies project stakeholders, especially primary stakeholders;
- (ii) Describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- (iii) Describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;

- (iv) Summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
- (v) Confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and
- (vi) Describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

F. Grievance Redress Mechanisms

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

G. Legal Framework

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

H. Entitlements, Assistance and Benefits

- (i) Defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- (ii) Specifies all assistance to vulnerable groups, including women, and other special groups; and.
- (iii) Outlines opportunities for affected persons to derive appropriate development benefits from the project.

I. Relocation of Housing and Settlements

- (i) Describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) Describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) Provides timetables for site preparation and transfer;
- (iv) Describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- (v) Outlines measures to assist displaced persons with their transfer and establishment at new sites;

- (vi) Describes plans to provide civic infrastructure; and
- (vii) Explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

- (i) Identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- (ii) Describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) Outlines measures to provide social safety net through social insurance and/or project special funds;
- (iv) Describes special measures to support vulnerable groups;
- (v) Explains gender considerations; and
- (vi) Describes training programs.

K. Resettlement Budget and Financing Plan

- (i) Provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation.
- (ii) Describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items).
- (iii) Includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs.
- (iv) Includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

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

M. Implementation Schedule

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

N. Monitoring and Reporting

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

GRIEVANCE REDRESS MECHANISM

A. Background

1. People adversely affected (or about to be affected) by a subproject will raise their grievances and dissatisfactions about actual or perceived impacts in order to find a satisfactory solution. These grievances influenced by physical, situational and social losses can surface at different stages of the project cycle. Some grievances may arise during the project design and planning stage, while the others may come up during project implementation. Not only should affected persons (APs) be able to raise their grievances and be given an adequate hearing, but also satisfactory solutions should be found that mutually benefit both the APs and the project. It is equally important that APs/DPs have access to legitimate, reliable, transparent and efficient institutional mechanisms that are responsive to their complaints. The persons interested are also entitled to file reference before the Civil Court. Against the decision of the Civil Court, they can seek their remedy before the Higher Courts.

B. Requirements of the Grievance Redress Mechanism for a Project

2. The grievance redress mechanism (GRM) should (i) provide a predictable, transparent and credible process to all parties, resulting in outcomes that are seen as fair, effective and lasting; (ii) provide a forum for resolving grievances and disputes relatively quickly before they escalate to an unmanageable level; (iii) mitigate or prevent adverse impacts of the project on communities, and facilitate appropriate corrective or preventative action; (iv) helps avoid project delays and cost increases, and improve the quality of work; and (v) facilitate the access of DPs to information.

3. A set of procedures for receiving, recording and handling complaints should be available in the GRM, include procedures for

- (i) Recording, registering and sorting grievance;
- (ii) Conducting an initial assessment of grievance;
- (iii) Referring grievance to appropriate units or persons;
- (iv) Determining the resolution process;
- (v) Making decisions, including parameters and standards for accurate and consistent decision making;
- (vi) Directing relevant agencies responsible for implementing decisions;
- (vii) Notifying complainants and other affected parties of eligibility, the resolution process, and outcome; and
- (viii) Tracking, monitoring, documentation and evaluation

C. Grievance Redress Mechanism Structure

4. The GRM should have a clear structure that explicitly spells out how it functions (Table 1). The GRM should also fit into the existing national system to make sure it does not have duplicate functions

Table 1: Grievance Redress Roles

Party	Responsibilities
National Level	
DISCO	• Establish GRM via circular • Provide operational guidelines for GRM • Provide necessary funds and staff to facilitate the GRM operation • Monitor grievance handling process by GRM • Coordinate the function of GRM • Provide the capacity building training to GRC members
Project Level	
Project Implementation Consultant	• Maintain database on the status of grievance handling by the contractor • Monitor the progress of grievance handling by the contractor • Report the progress of grievance handling to the DISCO
Resettlement Expert	• Identify the LAR impact and taking steps to mitigate them • Assist the APs in land acquisition and compensation process including the relocation to new sites • Maintain good relation with APs, responding to their concerns and providing assistance to them as required. • Participate in GRC as a facilitator • Functioning as lowest level receiver of grievances
Grievance Redress Committee	• Address grievance from APs, including issues related to land acquisition and compensation • Address installation-related grievance of APs

5. The Grievance Redress Committee (GRC) should be established at the village, project, and PMU levels to assure the accessibility for APs. The GRC is mandated to deal with compensation for the lost land and other assets, and cases pending in courts. GRC meetings will be held periodically with the APs. A complainant has the right to appear in person, be accompanied by a family member, and/or be represented by a village elder.

6. The proposed members of the GRC are in Table 2.

Table 2: Grievance Redress Committee Structure

Level	Members
Project Management Unit	Director Deputy Director Environment and Social (E & S) Environment Specialist, Member Resettlement Specialist, Member
Project Implementation Unit	Project Director, Chairman, assisted by PIU staff Land Acquisition Collector (LAC), Member, assisted by Qanogo and Patwari Officers of concerned departments Resettlement Specialist (Member), assisted by Social Mobilizer (male/female) APs' Representative (Member)
Village	APs representatives Social Mobilizer (Male) Social Mobilizer (Female)

ENTITLEMENT MATRIX

Asset	Specification	Affected Persons	Compensation Entitlements ¹
Temporary impacts on land	Access is not restricted and existing or current land use will remain unchanged	Titleholders	No compensation for land provided that the land is rehabilitated/ restored to its former quality following completion of works.
		Leaseholders (registered or not)	No compensation for land provided that the land is rehabilitated/ restored to its former quality following completion of works.
		Workers	Compensation, in cash for lost employment for the affected period.
		Squatters	Compensation, in cash, for all damaged assets, where these are owned by the squatters.
Permanent impacts on land	Access is restricted and/or land use will be affected	Titleholders	• Land for land compensation with plots of equal value and productivity to the plots lost; or, • Cash compensation plus 15% CAS for affected land at replacement cost based on market value free of taxes, registration, and transfer costs.
		Leaseholders (registered or not)	• Renewal of lease/contract in other plots of equal value/ productivity of plots lost; or • 3 months allowance (at OPL level Rs. 9,000/ month)
		Workers losing their contract	• Cash indemnity corresponding to their salary (including portions in kind) for the remaining part of the contract.
		Squatters	• Compensation, in cash, for all damaged assets, where these are owned by the squatters. • Accommodation in available alternate land/ or a self-relocation allowance (Rs. 9,000).
Houses/ Structures/ Other assets		All relevant APs (including squatters)	• Cash compensation plus 10% electrification allowance at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs. • Affected tenants will receive cash compensation of a value proportionate to the duration of the remaining lease period, or three months, whichever is higher. • In case of partial permanent impacts full cash assistance to restore remaining structure, in addition to compensation at replacement cost for the affected part of the structure.
Business/ Employment	Temporary or permanent loss of business or employment	All APs (including squatters)	• Business owner: (i) Cash compensation equal to one year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. • Workers/ employees: Indemnity for lost wages for the period of business interruption up to a maximum of 3 months (at OPL level Rs. 9,000/ month).

¹ Compensation for all assets will be to the owner of the asset.

Asset	Specification	Affected Persons	Compensation Entitlements ¹
Relocation	Transport and transitional livelihood costs	All APs affected by relocation	Provision of sufficient allowance to cover transport expenses and livelihood expenses for one month (<i>Rs. 9,000 per household</i>).
Community assets	Mosques, footbridges, roads, schools, health center	Affected community	Rehabilitation/ substitution of affected structures/ utilities (i.e. mosques, footbridges, roads, schools, health centers).
Vulnerable APs: livelihood	Households' below poverty line and female headed households, disable persons of HH.	All affected vulnerable APs	Lump sum one time livelihood assistance allowance (<i>Rs. 9,000 at OPLJ</i>) on account of livelihood restoration support.
Unidentified Losses	Unanticipated impacts	All APs	Deal appropriately during sub-project implementation according to the ADB Safeguard Policy