

Resettlement Framework

July 2017

PAK: Multitranche Financing Facility Central Asia
Regional Economic Cooperation Corridor
Development Investment Program

CURRENCY EQUIVALENTS

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ACRONYM

AD	Assistant Director
ADB	Asian Development Bank
CAREC	Central Asian Republics Economic Cooperation
CBO	Community Based Organization
COI	Corridor of Impact
CPID	Consultation, Participation and Information Disclosure
DCR	District Census Report
DD	Deputy Director
DDR	Due Diligence Report
DHs	Displaced Households
DMS	Detailed Measurement Survey
DO(R)	District Officer (Revenue)
DPs	Displaced Persons
EA	Executing Agency
EDO	Executive District Officer
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
GM	General Manager
GOP	Government of Pakistan
ILA	Inventory of Losses
IP	Indigenous People
IPP	Indigenous People Plan
km	kilometre
KPK	Khyber Pakhtunkhwa
LAA	Land Acquisition Act 1894
LAC	Land Acquisition Collector
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARU	Land Acquisition and Resettlement Unit
LARP	Land Acquisition and Resettlement Plan
M&E	Monitoring and Evaluation
MFF	Multi-tranche Financial Facility
NTC	National Trade Corridor
NGO	Non-Governmental Organization
NHA	National Highway Authority
PMU/PIU	Project Management Unit/Project Implementation Unit
PFR	Periodic Financing Request
ROW	Right-of-Way
SES	Socio-economic Survey
SPS	Safeguard Policy Statement 2009
VLA	Valuation of lost assets.

GLOSSARY

compensation	Payment in cash/voucher or kind offered to displaced persons (DPs) against the replacement of the lost asset, resource and income.
country safeguard systems	A country's legal and institutional framework, consisting of its national, sub national, or sectoral implementing institutions
cut-off-date	Eligibility for entitlements by a cut-off date, determined at the time of social impact assessment (SIA) survey, DPs, inventory of losses (IOL) and socioeconomic baseline survey.
displaced household	A household affected by the project-related changes in use of land, water, natural resources, or income losses.
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.
encroachers	People who move into the project area after the cut-off date and are therefore not eligible for compensation or other rehabilitation measures provided by the project or persons who have trespassed government land, adjacent to his/her own land or asset, to which he/she is not entitled, by deriving his/her livelihood there. Such act is called "encroachment".
entitlement	The range of measures comprising compensation in cash/voucher or kind, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and business restoration which are due to DPs, depending on the type and degree nature of their losses, to restore their social and economic base.
household	A household means all persons living and eating together as a single-family unit and eating from the same kitchen whether or not related to each other.
implementing agency	Implementing agency means the agency, public or private, that is responsible for planning, design and implementation of a development project.
income restoration	Income restoration means re-establishing income sources and livelihoods of DPs.
inventory of lost assets	Descriptive list of all assets lost to the project, including land, immovable property (buildings and other structures), and incomes with names of owners.
involuntary resettlement	Land acquisition and resettlement for a public purpose on the basis of eminent domain law without the consent of displaced persons.
land acquisition	Land acquisition means the process whereby a person is compelled by a public agency to alienate all or part of the land she/he owns or possesses, to the ownership and possession of that agency, for public purposes in return for fair compensation.

physical displacement	Relocation, loss of residential land, or loss of shelter as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or no access to legally designed parks and protected areas.
rehabilitation	Assistance provided to DPs to supplement their income losses in order to improve, or at least achieve full restoration of, their pre-project living standards and quality of life.
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.
vulnerable DPs	Distinct groups of people who might suffer disproportionately from resettlement effects by the project because of their disadvantaged or vulnerable status. They are the households below poverty line or will become below poverty line as a result of loss to assets and/or livelihoods, and include the landless and those without legal title to acquired land, the elderly, female headed households, or disabled persons.

NOTES

- (i) The fiscal year (FY) of the Government of Pakistan, its agencies and participating financial institutions ends on 30 June.
- (ii) In this report, "\$" refers to US dollars unless otherwise stated.

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I. INTRODUCTION

A. Purpose and Scope of the Land Acquisition and Resettlement Framework (LARF)

1. The Government of Pakistan (GoP) is upgrading and rehabilitating CAREC transport corridor 5 & 6 to improve regional connectivity. Through the National Highway Authority (NHA) of Pakistan, the GoP plans to implement CAREC Corridor Development Investment Program (CAREC CDIP) with financial assistance from ADB through a Multi-tranche Financing Facility (MFF).

2. This LARF aims to guide the preparation of land acquisition and resettlement plans (LARPs) for different tranche projects/subprojects under the MFF. It defines the legal and policy framework, eligibility criteria and entitlements for physically and/or economically displaced persons (DPs) to ensure their fair and timely compensation, relocation and rehabilitation. It sets out procedures for subproject screening and categorization, social impact assessment, consultation, participation and disclosure, grievance redress, monitoring and reporting systems, etc. and explains the institutional and financial arrangements for LAR.

3. The LARF fulfills ADB Safeguard Policy Statement (SPS) 2009 requirements pertaining to involuntary resettlement (IR) safeguards and complies with *Pakistan's Land Acquisition Act of 1894, and provincial rules, regulations and guidelines for land acquisition and resettlement*. The GoP has endorsed this LARF and NHA as project EA is responsible for its application in all projects and subprojects financed under the MFF that require preparation and implementation of land acquisition and resettlement plans (LARPs). This LARF will be subject to review and updating before appraisal of subsequent tranches under the MFF or in case the scope of the MFF is changed.

B. Investment Program

4. Pakistan's National Highway 55 (N-55) offers the shortest north-south bound CAREC spin-off transport corridor through Pakistan to link landlocked Afghanistan, Central Asia, and Xinjiang province of the People's Republic of China (PRC) with the Arabian Sea ports at Karachi and Gwadar. It starts at M-9 near Petaro in Sindh Province, traverses through southern part of Punjab Province and terminates at N-5 near Peshawar in Khyber Pakhtunkhwa Province. Currently the N-55 is mostly a two-lane single carriageway which is in very poor condition and requires upgrading to 4-lane dual carriageway to sustain the presumed future traffic loads from CAREC countries.

5. The NHA planned to upgrade 396 Km road sections of this corridor as dual carriageway. The upgrading of selected sections of N-55 into 4-lane dual carriageway through this MFF will be an important step to enhance national and regional connectivity and trade via the CAREC Corridors 5 and 6 by improving the efficiency for road traffic along the CAREC corridors in Pakistan. The MFF CAREC CIDP is planned to be implemented through three tranches with each tranche covering several subprojects. The proposed size of the MFF is \$820 million. Works to be covered by the three MFF tranches are summarized in Table 1 below. Tranches 1 and 2 entail the construction of an additional 2-lane carriageway along the existing 2-lane carriageway, while Tranche 3 involves the rehabilitation of an existing two-lane carriageway. Most of the works will follow the existing NHA ROW.¹ However, proposed improvements in vertical or horizontal alignment of the road in some sections and construction of bypass roads along selected urban centres will require acquisition of some additional land as per design requirements. The MFF will also be used to support NHA in subproject preparation

¹ The NHA ROW for N-55 is between 110' and 165' in different sections.

and institutional capacity development activities. This support may include actions to advance project readiness of future tranches, reporting and monitoring.

Table 1: MFF Financing Plan and Packaging²

Tr	Road Section	HW No.	Length (km)	Existing Carriageway	Proposed Civil Works	Location
T 1	Ratodero-Shikarpur	N55	44.0	2-lane single carriageway	Construction of additional 2-lane carriageway.	Sindh Province
	Petaro-Sehwan	N55	66.5	2-lane single carriageway	Construction of additional 2-lane carriageway.	Sindh Province
	Dara Adamkhel-Peshawar	N55	34.5	4-lane dual carriageway	Rehabilitating existing 4-lane carriage way	KPK Province
	Total		145.0			
T 2	Shikarpur-Rajanpur	N55	224.0	2-lane single carriageway	Construction of additional 2-lane carriageway.	Sindh and Punjab Provinces
T 3	Shikarpur-Rajanpur	N55	224.0	2-lane single carriageway	Rehabilitating existing 2-lane carriageway	Sindh and Punjab Provinces
	Ratodero-Shikarpur	N55	44.0	2-lane single carriageway	Rehabilitating existing 2-lane carriageway	Sindh Province
	Petaro-Sehwan	N55	128.0	2-lane single carriageway	Rehabilitating existing 2-lane carriageway	Sindh Province
	Total		396.0			

Source: Asian Development Bank Estimates

C. Tranche-1 Project Design and Resettlement Impacts

6. The preliminary design for the 3 subprojects in Tranche-1 is completed based on which the land acquisition and resettlement impacts for each subproject were assessed. The following section summarizes the design features for each subproject and the potential LAR impacts.

1. Design Feature of Tranche-1 Project

7. The tranche-1 project will support the upgrading and rehabilitation of 145 km of N-55 in three sections: i) Petaro-Sehwan section (66.5 Km); Ratodero-Shikarpur section (44 Km) and iii) Dara Adamkhel-Peshawar section (34.5 Km). The preliminary design of the subprojects and safeguards due diligence was completed as part of feasibility study. The salient design features and potential for land acquisition and resettlement impacts for each subproject are summarized below:

a Petaro-Sehwan Section of N-55

8. The project road section starts at km 64 of N-55 and terminates near Sehwan city. The existing ROW in this section is between 40 to 50 meters (132-165 feet). The total length of the subproject road section is 66.5 km. Existing road is 7.3 meters single carriageway with earthen shoulders. Formation

² The MFF packaging plan discussed and agreed with NHA during TA8914 CAREC Corridor Development Investment Program Review Mission (16–19 May 2017).

width is 13.3 meters. An additional 7.3 meters carriageway with treated shoulders will be constructed along the existing carriageway except in urban sections where both sides of the existing road will be widened to upgrade the section into a dual carriageway with 4 lanes.

9. The construction of additional carriageway will follow the available ROW limits. Limited acquisition of land is envisaged to cater geometrical improvements in sections with sharp curves. Resettlement-related impacts due to clearance of structures (residential and commercial) and restriction of ROW used for agricultural activity in some sections of the existing ROW is also anticipated.

b Ratodero-Shikarpur Section of N-55

10. The subproject road section starts from Ratodero (starting point of M-8) and terminates at Shikarpur. The existing road is 7.3 meters wide single carriageway with a formation width of 13.30 meters. The total length of this section is 44 km. An additional carriageway is designed to convert the existing single lane carriageway into 4 lanes dual carriageway. The additional carriageway runs along the existing alignment of the road and most part of the new alignment is located on the left side of the existing road except in urban areas where both sides will be widened to make a dual carriageway. A bypass road is proposed at Dakkan town (km 10+450 to km 12+750).

11. The construction of additional carriage will mostly follow the available ROW width (110 feet to 165 feet) except for the new bypass road where ROW will be acquired. To achieve vertical and horizontal geometric improvements in some sections, additional strip of land will be acquired along the existing ROW. Acquisition of land and retrieval of encroached sections of ROW to construct the road as per design requirements will result in land acquisition and resettlement related impacts.

c Peshawar-Dara Adamkhel Section of N-55

12. The subproject road section is dual carriageway that starts at Peshawar (first bridge located at Kohat Road, 1.5 km away from the Ring Road, Peshawar) and terminates at Dara Adam Khel where existing dual carriageway ends. The total length of this section is 34.5 km which requires rehabilitation of the pavement and improvement of road safety facilities. The existing carriageway is 7.3 meters wide with minimum formation width of 19.2 meters. The civil works will include overlay of the existing dual carriageway with minor improvements in the road geometry. According to preliminary design, construction related activities will be limited to the existing formation width of the carriageway without any land acquisition or resettlement related impacts.

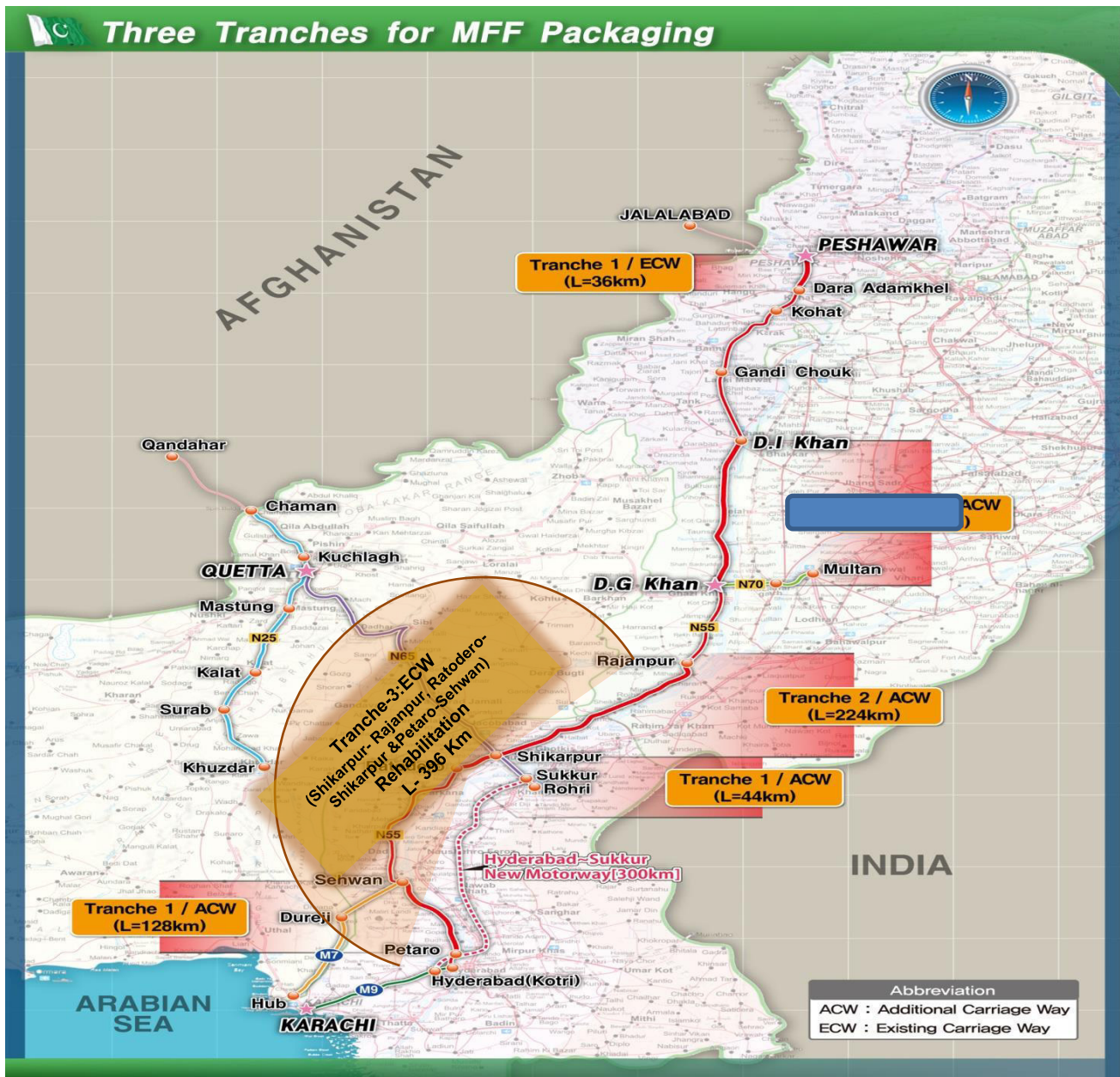


Figure 1: Location Map of the CAREC Corridors in Pakistan

2. Potential Involuntary Resettlement Impacts

13. Two subprojects (Petro-Sehwan Section and Ratodero-Shikarpur section involve acquisition of ROW for proposed improvements in curve geometry, vertical and horizontal alignment and construction of a bypass at one section of Ratodero-Sikarpur subproject. In addition, retrieval of ROW land to implement the project works will cause resettlement related impacts due to clearance of structures (residential and commercial) and restriction of ROW use for agriculture purpose. For the Dara-Adamkhel-Peshawar Section, civil works will follow the existing pavement width and will not have LAR impacts.

14. Implementation of tranche-1 project will result in acquisition of 126.7 acres land (about 46.8 acres land for Petaro Sehwan Section and 79.9 acres land for Ratodero Shikarpur Section) and

permanent dislocation of 59 residential structures and 71 commercial structures³ (including 43 fixed permanent structures and 28 moveable/temporary structures). It is estimated that a total 356 asset owners will lose their assets due to acquisition of land or clearance of ROW limits. The project will result significant economic displacement of 136 DPs i.e 35 land owners DPs losing more than 10% of their productive agricultural land and 101 DPs facing loss of livelihood source due to loss of commercial structures. Fifty-nine DPs will lose their residential structure resulting in physical displacement of 412 persons (residential structure owners with their dependents living with them). Overall, the project will significantly affect 548 persons (136 economically displaced and 412 physically displaced). The subproject wise detail of DPs losing assets and those facing significant impacts are summarized in Table 2 below.

Table 2: IR Impacts of Tranche-1 Subproject

S. No.	Impact category	Asset owners (DPs)	Extent of Loss	DPs facing significant ⁴ impacts	Remarks
A Petaro-Sehwan Section (66.5 km)					
1.	Residential Structures and land.	18	Full ⁵ .	112	Impact on residential structures owned by 18 DPs will result in physical displacement of all dependents living with them in the affected structures.
2.	Commercial Structure and land.	38 owners 11 renters	Full	49	38 DPs losing shops (20 shop, 5 restaurant, 15 kiosks owners) and 11 renter operators of affected shops will lose their income source.
		1	Less than 10%	0	Green belt of 1 DP along the road affected without any impact to the functional units.
3.	Land	99	More than 10%	17	17 DPs will lose more than 10% of their productive irrigated land.
	Total A	163		178	
B Ratodero-Shikarpur Section (44 Km)					
1.	Residential Structures	41	Full	300	Loss of 41 residential structures owned by 41 DPs will result in their relocation and their dependents (300 persons) living in the affected structure.
2.	Commercial Structure	28 owners 24 renters	Full	52	DPs losing shops and kiosks (28 shop and kiosk owners and 24 renter operators of affected shops/kiosk) will lose their income source.
		6	Below 10%	0	Green belts of 6 petrol pump stations along the road affected without any impact to the functional units.

³ The Petaro Sehwan section will impact on 18 residential and 41 commercial structures (25 shops/restaurants, 15 kiosk/thatched sheds, and 1 fuel filling station logo with fence), and 16 moveable temporary structures. In Ratodero-Shoikarpur section, there are 41 affected residential structures and 38 commercial structures (19 shops/restaurants, 13 kiosks/thatched sheds, and 6 fuel filling station logo with fences).

⁴ Impact is deemed significant if the DP will experience i) physical displacement due to lost residential structures or ii) economical displacement due to 10% or more loss to their productive assets.

⁵ The structures are mostly within the existing NHA ROW and will be affected to entirety.

S. No.	Impact category	Asset owners (DPs)	Extent of Loss	DPs facing significant ⁴ impacts	Remarks
3.	Land	100	More than 10%	18	18 DPs will lose more than 10% of their productive irrigated agricultural land.
	Total B	193		370	
	Total A+B	356*		548	In Tranche-1 project, lost asset owned by 356 DPs will result in significant economic or physical displacement of 548 DPs.
* In total count, DPs with multiple impacts are counted once only.					

15. The number of DPs in tranche 1 who experiencing significant IR impacts is above the 200 DP thresholds to be categorized as A for IR. Draft LARPs have been prepared separately for Petaro-Sehwan and Ratodero-Shikarpur sections based on preliminary design which will be updated into a final implementation-ready LARPs based on the detailed design. For Dara Adamkhel-Peshawar section, the subproject works (existing 4 lane dual carriageway, as per preliminary design, will be limited to overlay of existing 4 lane dual carriageway without LAR impacts. A due diligence is conducted during preliminary design which will be further reviewed for screening IR impacts based on detailed design. If any impact is identified/documentated at detailed design stage, a LARP would also be prepared for this section.

16. The road sections included in tranche 1 traverse through settled areas of Punjab, Sindh and Khyber-Pakhtunkhwa except for 15 km of Dara Adam Khel–Peshawar section which passes thorough Federally Administered Tribal Area (FATA). The civil works will follow the existing ROW of N-55. There are no groups or communities in the project area that may be characterized as IP based on ADB SPS definition. Hence, ADB IP safeguards are not triggered in tranche 1.

D. Subsequent Tranche Subprojects

17. As per investment plan, tranche 2 will include construction of additional carriageway between Shikarpur and Rajanpur (224 Km) following the design parameters as tranche 1 subprojects, while tranche 3 subprojects will include rehabilitation of 396 km of existing carriageway sections implemented under tranches 1 and 2 of the MFF. The design for tranche 2 and tranche 3 subprojects has not start, thus the exact scope of land acquisition and resettlement is still unknown. The IR screening and categorization of the subsequent tranche projects will follow the IR screening criteria below and accordingly the impact assessment and preparation of resettlement plans including social impact assessment will be guided by the provisions outlined in the LARF for the MFF.

E. IR and IP Screening and categorization criteria

18. Tranche 1 of the MFF has been categorized as A for IR and C for IP safeguards. Subsequent tranches of will also be screened at the time of appraisal following ADB procedures. Subprojects under each tranche will also be screened to determine the requirement for the preparation of a LARP using an IR/IP checklist (Annex-1). LARPs will be prepared for subprojects with IR impacts. In the subproject will also result in adverse impacts on DPs who belong to IP groups or communities, a combined indigenous peoples plan and resettlement plan will be formulated to address both involuntary resettlement and indigenous peoples issues.

19. For subprojects that are assessed as having no IR or IP impacts, a social due diligence report (DDR) will be prepared to confirm that (a) the subproject has or has no land acquisition or resettlement impacts; (b) there are no outstanding land acquisition or resettlement issues on the road section to be upgraded/rehabilitated; and (c) there are no IPs in the subproject area that may be affected by the subproject. The DDR will also document consultations conducted with key stakeholders and actions in case impacts emerge during construction.

20. The level of detail and comprehensiveness of the LARP or combined LARP/IP plan will be commensurate with the significance of the potential impacts and risks. Subprojects to be implemented under the MFF will follow the criterion below for IR and/or IP screening and categorization as well as preparation IR and/or IP planning and processing documents. The involuntary resettlement impacts of a subproject are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). The significance of impacts of a subproject on IPs is determined by assessing (i) the magnitude of impact in terms of (a) customary rights of use and access to land and natural resources; (b) socioeconomic status; (c) cultural and communal integrity; (d) health, education, livelihood, and social security status; and (e) the recognition of indigenous knowledge; and (ii) the level of vulnerability of the affected IP community.

- **Category A.** A subproject will be classified as category A for IR and/or IP safeguards if it is likely to have significant involuntary resettlement impacts and/or significant impacts on IPs. A LARP or combined LARP/IP plan, including assessment of social impacts, is required. If detailed design is not yet available, a draft LARP/IP plan may be prepared which will be updated/finalized following detailed design and LAA procedures.
- **Category B.** A subproject will be classified as category B for IR and/or IP if it includes involuntary resettlement impacts that are not deemed significant and/or likely to have limited impacts on IPs. A LARP or combined LARP/IP plan including assessment of social impacts, is required. If detailed design is not yet available, a draft LARP/IP plan may be prepared which will be updated/finalized following detailed design and LAA procedures.
- **Category C.** A subproject will be classified as category C for IR and/or IP safeguards if it has no involuntary resettlement impacts and/or impact on indigenous people are not expected. A social due diligence report (DDR) is prepared. Monitoring will be required during subproject implementation to identify and address any emerging LAR or IP issues.

F. Requirements for appraisal of MFF and subsequent Tranche Projects

21. Based on ADB policy and practice, following IR-related conditionality's are outlined for the appraisal of the MFF including tranche-1 as well as for processing of Periodic Financing Requests (PFR) for subsequent tranche projects, civil works contract award and commencement of civil works.

- **MFF and first tranche appraisal:** Conditional on the preparation of (a.) a LARF for the whole MFF acceptable to ADB and (b.) a draft LARP/s based on preliminary design for each subproject of tranche-1 with IR impacts.
- **Following tranches appraisal:** Conditional on: (a.) the review/update of the LARF, and (b.) the preparation of LARPs for each subproject with IR impacts included in subsequent tranches consistent with the revised/updated LARF.

- **Contract Awards signing:** Conditional on ADB cleared updated/final implementation ready LARP based on detailed design reflecting final impacts, list of DPs entitled for compensation, updated LARP budget reflective of compensation rates on replacement cost basis and relocation rehabilitation and income restoration costs with LARP implementation schedule synchronized with the construction activities.
- **Commencement of civil works/Issuance of notice-to-proceed:** The full implementation of LARP for a subproject with LAR impacts, including (a) compensation at full replacement cost paid to each DP for subproject components or sections that are ready to be constructed; (b) other entitlements listed in the LARP have been provided as confirmed by an external monitoring agency/expert; and (c) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place. ADB clearance of the monitoring report and no-objection is a condition for issuing the notice-to-proceed with civil works in subprojects with LAR impacts.

II. LEGAL AND POLICY FRAMEWORK

A. LAR Legal and Policy Framework

22. This LARF is designed on the basis of the laws and regulatory framework with its successive amendments relevant to land acquisition and resettlement in Pakistan (Sindh, Punjab and Khyber Pakhtunkhwa) and in compliance with the Involuntary Resettlement Safeguards of ADB's Safeguard Policy Statement of 2009 (SPS). The LARF provides measures to reconcile and address the gaps between two sets of legal and policy instruments to ensure IR requirements of ADB SPS 2009 are complied.

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

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

24. The law deals with matters related to the acquisition/ or temporary occupation of private land and other immovable assets that may exist on it when the land is required for public purpose. The LAA specifies a systematic approach for acquisition and compensation of land and other properties for development projects. It stipulates various sections pertaining to notifications, surveys, acquisition, compensation and apportionment of awards, along with disputes resolution, penalties and exemptions.

25. The start of the land acquisition process for public purposes is triggered with the notification of need for land acquisition under Section 4 of the LAA which allows the conduct of surveys and measurements on the potentially required land. Once the specific plot/s have been identified as required for public purpose, a declaration to that effect is notified under Section 6 of the LAA. Land will be marked and measured and notices to persons interested will be issued. Valuation and assessment of compensation will be made based on fair market value and other criteria described in Article 23 of the LAA. Inquiry on the measurements and valuations made on the acquired property and final award is done under Section 11. Once award is notified under Section 12 of the LAA and compensation payments can start. However the law only recognizes "legal" owners of property supported by records of ownership such as land record title, registered sale deeds, or agreements. The LAA also allows for emergency acquisition that allows the government to take possession of the land after 15 days from publication of the notice under Section 9 of the LAA even if compensation has not been received by the DP. Table 3 below provides salient features of major sections of the LAA:

Table 3: Salient Features of Pakistan's LAA 1894

Key Sections of LAA	Salient Features of the LAA 1894
Section 4	The Collector publishes of preliminary notification of land acquisition and power for conducting survey.
Section 5	The Collector formally notifies that a particular land is needed for public purpose and inquires for objections or concerns from persons interested (Section 5a)
Section 6	The Collector formally declares government's intention to acquire a particular land for public purpose (The date of the publication of this declaration may be considered as the cut-off date).
Section 7	The Land Commissioner directs the Land Acquisition Collector (LAC) to take order the acquisition of the specific land.
Section 8	LAC physically marks out, measures and plans the land to be acquired
Section 9	LAC gives notice to all persons interested that the Government intends to take possession of the land and requests that they approach him for any claims for compensation
Section 10	LAC records statements of interested persons in the area of land to be acquired or any part thereof as co-proprietor, sub-proprietor, mortgage, and tenant or otherwise.
Section 11	LAC makes enquiries into the measurements, value and claims and then to issue the final "award". The award includes the land's marked area and the valuation of compensation.
Section 12	LAC gives notice of final award to persons interested in the acquired land.
Section 16	Upon issuance of award under Section 11, the LAC may take possession and the land shall thereupon vest absolutely in the Government, free from all encumbrances.
Section 17	Emergency clause that allows acquisition of land after 15 days from notification under Section 9 prior to compensation of persons interested. (Note that this clause will not be applied in any subproject financed under the MFF).
Section 18	In case of dissatisfaction with the award, persons interested may request the LAC to refer the case onward to the court for a decision. This does not affect the Government taking possession of land.
Section 23	The following factors are to be considered in determining the compensation amount for acquired land: i) market value of the land, ii) loss of standing crops, trees and structures, iii) any damage sustained at the time of possession, iv) injurious affect to other property (moveable or immoveable) or earnings, v) expanses incidental to compelled relocation of the residence or business, and vi) diminution of the profits between the time of publication of Section 6 and the time of taking possession. A 15% premium is added to the amount in view of the compulsory nature of the acquisition for public purposes.
Section 28	Relates to the determination of compensation values and interest premium for land acquisition.
Section 31	Section 31 provides that the LAC can, instead of awarding cash compensation in respect of any land, make any arrangement with a person having an interest in such land, including the grant of other lands in exchange.
Section 48A (LAA-1986)	If within a period of one year from the date of publication of declaration under section 6 in respect of any land, the Collector has not made an award under section 11 in respect to such land, the owner of the land shall, unless he has been to a material extent responsible for the delay be entitled to receive compensation for the damage suffered by him in consequence of the delay.

C. ADB's Safeguard Policy Statement 2009 (SPS) and Resettlement Principles

26. ADB has adopted SPS in 2009 including safeguard requirements for environment, involuntary resettlement (IR) and indigenous peoples (IP). The objectives of involuntary resettlement safeguard policy is to avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. Following are the basic policy principles of ADB's SPS on involuntary resettlement:

- i. Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- ii. Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- iii. Improve, or at least restore, the livelihoods of all displaced persons through (a) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (b) prompt replacement of assets with access to assets of equal or higher value, (c) prompt compensation at full replacement cost for assets that cannot be restored, and (d) additional revenues and services through benefit sharing schemes where possible.
- iv. Provide physically and economically displaced persons with needed assistance, including the following: (a) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (b) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (c) civic infrastructure and community services, as required.
- v. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.

- vi. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- vii. Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- viii. Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- ix. Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
- x. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- xi. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout subproject implementation.
- xii. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions, and the results of resettlement monitoring, and disclose monitoring reports.

D. Comparison of Pakistan's LAA and ADB's IR Safeguards-SPS 2009 Principles

27. There are a number of differences between Pakistan's Land Acquisition Act of 1894 (LAA) and ADB's Policy on Involuntary Resettlement (IR). The LAA, in contrast to ADB SPS, does not require adequate consultation with affected parties. It simply requires that declaration and notice be given about temporary use of land or acquisition and the purposes for which it is required. The Act also does not require preparation of a "plan" documenting the process, and consultations undertaken with DPs. Other gaps include requirement to compensate and assist DPs without legal rights to land, attention to vulnerable groups, indigenous people and severely affected DPs, importance given to gender issues, monitoring of resettlement implementation, and disclosure of resettlement plans and monitoring reports. LAR. Table 4 summarizes the differences between the LAA and ADB safeguards and the measures to ensure the project implementation under the MFF is fully consistent with the ADB's SPS requirements.

Table 4: Measures to address LAA 1894 & SPS (2009) differences or gaps

Pakistan LAA 1894	ADB SPS 2009	Measures to Address the Gap
Compensation for land and other assets is based on average values and department unit rates that do not ensure replacement market value of the property acquired. However, LAA requires that a 15% compulsory acquisition surcharge supplement the assessed compensation.	DPs are to be compensated for all their losses at replacement cost, including transaction cost and other related expenses, without deducting for depreciation.	The valuation for the acquired land, structures and other assets will be based on full replacement costs keeping in view the fair market values, transaction costs and other applicable payments that may be required, without deducting for depreciation of structures. A 15% compulsory acquisition surcharge will be added to the compensation. PIU will closely coordinate with the BOR on the valuation process to ensure that the LARF provisions for determining compensation amounts are observed.
No provision for resettlement expenses, income/livelihood rehabilitation measures or allowances for displaced poor and vulnerable groups.	Requires support for rehabilitation of income and livelihood, with particular focus on those with severe losses, poor and vulnerable groups.	Additional assistance will be provided to cover resettlement expenses (transportation and transitional allowances), loss of income, and provide support to vulnerable persons and those severely impacted (considered to be those losing more than 10% of their productive assets).
Lack of formal title or the absence of legally constituted agreements is a bar to compensation/ rehabilitation. (Squatters and informal tenants/leaseholders are not entitled to compensation for loss of structures, crops).	Lack of formal title is not a bar to compensation and rehabilitation. All DPs, including non-titled DPs, are eligible for compensation of all non-land assets.	Squatters, informal tenants/leaseholders are entitled to compensation for loss of structures and livelihood and for relocation.
Has no specific requirement for the preparation of a LARP	Requires the preparation of a LARP based on social impact assessment and consultation with DPs elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.	Draft LARPs based on preliminary design, and final LARPs based on detailed design will be prepared for subprojects that involve LAR issues.
There are emergency provisions in the procedure that can allow civil works to proceed before compensation is paid.	Requires that DPs are compensated and provided other resettlement entitlements before physical or economic displacement.	Civil works may only proceed after the resettlement plan is implemented and compensation for loss of assets and other allowances are fully paid.

Pakistan LAA 1894	ADB SPS 2009	Measures to Address the Gap
No convenient grievance redress mechanism except recourse of appeal to formal administrative jurisdiction or the court of law	Requires the establishment of accessible grievance redress mechanisms to receive and facilitate the resolution of DPs' concerns about displacement and other impacts, including compensation	NHA will establish easily accessible grievance redress mechanism available throughout project implementation that will be widely publicized within respective subproject area and amongst the DPs.
There is no requirement for monitoring resettlement implementation and disclosure of resettlement plans and monitoring reports	Requires that LARP implementation is monitored and LARP and monitoring reports are disclosed in an accessible place and a form and language(s) understandable to DPs and other stakeholders.	LARP implementation will be monitored both internally and externally. The draft and final LARPs, and monitoring reports will be disclosed to DPs, posted in the NHA website and ADB website for general public disclosure.

E. LAR policy for the MFF

28. Based on identified gaps between ADB's SPS 2009 requirements and LAA practice and procedures following LAR policy is formulated for the MFF:

- i. A social Impact Assessment will be carried out for all subprojects to be implemented through different Tranches under the MFF the subprojects will be screened at early stage to avoid, minimize or mitigate involuntary LAR impacts causing physical and/or economic displacement. For projects with LAR impacts, a comprehensive assessment of social impacts, involving (i) a census of all displaced persons (titled and without title), and an inventory of their lost assets (ii) a sample based socio-economic survey of displaced persons, and (iii) a detailed measurement survey and valuation of all lost assets including lost incomes sources will be carried out and accordingly comprehensive LARPs will be prepared for every subproject with LAR impacts under the MFF loan.
- ii. Potential stakeholders will be identified and meaningful consultations will be carried out at each stage of the project planning and design and shall be continued throughout project LAR planning, implementation and monitoring periods. The DPs and other stakeholders will be consulted and informed as well as given an opportunity to participate in LAR planning and implementation activities. All consultations will be documented and the consultation records will be maintained throughout project implementation.
- iii. An effective grievance redress mechanism with representation of all stakeholders will be established at project and subproject level at the time of project inception and will be kept intact and functional throughout implementation period to address the social issues related to project design, resettlement planning and implementation, restriction of access to resources and basic amenities during construction and any other social matter that arises during implementation of the project. Issues/disputes on land titles, land valuation, enhancement or apportionment of awarded compensation could be dealt under the LAA 1894 provisions. The project based GRM will assist and facilitate the aggrieved parties to seek remedy through available legal recourse. The project based GRM will maintain an updated record of issues/disputes being dealt under LAA provisions.,

- iv. Compensation eligibility will be limited to cut-off date announced as such by the government. In case of land acquisition under law, a formal declaration for acquisition of land notified and published under section-6 of LAA 1894 or any other date declared as such by the government will be a cut-off date, while for compensation entitlement not covered under law cut-off date will be established and declared as the day of completion of social impacts assessment survey and census of DPs. To streamline the cut-off date announced under LAA provisions and the for ADB IR requirements efforts will be ensured to coincide the dates for publication of notification under section-6 of LAA and completion of social impact assessment surveys and census of DPs.
- v. All DPs with legal title or recognizable title/claim to acquired land and land based assets on or before the cut-off date will be entitled for compensation of acquired assets including land and relocation and rehabilitation measures, as applicable, regardless of nature and type of impacts (permanent or temporary, full or partial). DPs occupying the public ROW or acquired land (on or before cut-off date), without legally recognizable claims to land will be entitled for compensation of affected assets other than land, as well as relocation and rehabilitation support under LARP provisions and entitlements.
- vi. Compensation of land and structures will be at full replacement value, either through the replacement of land or structures⁶ of equivalent or higher value and quality or through cash compensation at replacement cost⁷. The land will be valued at replacement cost based on current market values by carrying out a survey of transactions in the year previous to the date of invoking notification under section 4 of LAA, and/or in line with the process outlined in para 57 of this LARF. The value of structures will not be depreciated for age and the salvage will be allowed to DPs. It will be ensured that DPs are not displaced physically or economically before payment of compensation and other entitlements for their lost assets and income and livelihood restoration program is in place.
- vii. Incomes and livelihood sources lost due to acquisition of land or interruption of business activities and employment due to lost productive assets or business structures will be fully compensated either on actual loss if the lost income potential is supported with tax records or on the bases of minimum earning levels prevalent in the project corridor for a period required to re-establish and restore the income levels as assessed during census and socio-economic assessment surveys. In addition, the DPs who will permanently lose income and livelihood sources as well as poor and vulnerable DPs will be assisted to locate/access alternate business sites/locations on secure tenure basis, credit, training and employment assistance to maintain or improve their livelihoods.
- viii. All lost civic infrastructure and community services will be either restored at site or established at replacement land and the DPs will be provided opportunities to share development benefits of the subproject, if feasible.
- ix. The DPs will be entitled for compensation for lost housing at full replacement cost, relocation assistance and transitional support for establishing their residential structures at places of their choice.

⁶ For replacement of land or structures all transaction costs will be paid by the project or included in compensation payments to the DPs.

⁷ Full replacement cost involves fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments without depreciation.

- x. For all subprojects involving LAR impacts under any tranches, resettlement plans will be prepared following the principals outlined in the LARF for the MFF. LARPs elaborating on DPs' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget with financing plan, and time-bound implementation schedule will be shared with ADB for review and clearance before appraisal of tranche projects. The LARPs will be disclosed on the ADB's and NHA's websites while hard copies translated into language understandable to local community will be placed at accessible place in project area. The LARP provisions, particularly those on impact assessment and valuation, eligibility and entitlements, compensation delivery and grievance redress mechanisms will be disclosed to the DPs by the NHA through dissemination of information brochures, placing information boards/banners at conspicuous places in affected villages around the project corridor. All required notifications under the LAA will be conducted. Additional notifications and advertisements in local newspapers will also be made as required to widely disseminate information to all DPs.
- xi. A monitoring mechanism for regular monitoring (internal and/or external) of LARP implementation progress will be established before start of implementation of government endorsed and ADB cleared final LARPs for each tranche project. The LARP implementation progress and livelihood restoration measure in place for each subproject will be monitored and evaluated during LARP implementation and periodic social monitoring reports will be compiled and shared with ADB. Full implementation of the LARPs will be a condition for commencing civil works in subprojects with LAR issues, as verified in both the internal and external monitoring reports.

1. Specific Provisions for disadvantaged or vulnerable households and IPs

29. One of the SPS requirements on involuntary resettlement is to improve the standards of living of the displaced poor and other vulnerable groups who may experience adverse impacts disadvantageously from project because of their disadvantaged/vulnerable status. Typically, those below poverty line, the landless or those without a title to land, the elderly, female headed households, women and children, and Indigenous Peoples comprise the disadvantaged or vulnerable groups within a project's displaced population.

30. Vulnerable DHs: To identify households, the following vulnerability indicators have been established for the MFF CAREC-CDIP and households that exhibit one or a combination of the conditions below will be considered as vulnerable:

- i. DHs with income equal to or below officially designated national poverty line.
- ii. Land-less or those without legal or legalizable title to the acquired land from which their livelihood depends on.
- iii. DHs with or without children that are headed by a disabled person, elderly or woman.

31. Vulnerable households with specific LAR impacts on their livelihood will be identified during the census and socio-economic survey for each subproject and will be indicated in each LARP. Such households will be consulted on measures to safeguard against impoverishment and accordingly livelihood and income restoration measures for rehabilitation and enhancement of their livelihood will be provided in the respective LARPs and ensured during execution of the subproject.

32. **Provisions for Displaced Women:** Acquisition of household assets can impact the women disproportionately due to their fragile socio-economic status and it could be difficult for them to re-establish their socio-economic activities because of restricted mobility or illiteracy. Although the female household heads or the female having title of the acquired assets are eligible and entitled for compensation and benefits for their lost assets similar as to their male counterparts but they may need special attention because of lack of resources, educational qualifications, skills, and work experience. To safeguards women needs and interests, following measures will be considered during impact assessment, census of displaced persons, designing rehabilitation/resettlement provisions and preparation of the LARPs for each subproject of any tranche under the MFF.

- Gender segregated socio-economic baseline and impact inventory linked to the entitled DPs will be developed and women shall be compensated for assets in their name. Female headed households will be considered as vulnerable and are entitled for additional assistance for vulnerable households.
- During census and socio-economic assessment, meaningful consultations will be conducted with displaced women through focus group discussion and individual meetings to identify the concerns and mitigation required in resettlement planning and accordingly the subproject LARPs will detail the scope of LAR impact on women and wherever required separate gender action plan will be developed.
- The resettlement entitlements and compensation package against lost household assets through the consultative meetings and focus group discussions with women DPs during LARP planning and implementation.
- In case of compensation for household assets, efforts will be ensured to pay compensation in the joint accounts of the spouses (if possible) and in case of provision of replacement asset, i.e., land or structure (residential/commercial), it will be ensured that the provided asset is transferred in the joint ownership of the male and female counterparts of the DHs; and
- Gender sensitive grievance redress system with women participation will be ensured to facilitate the aggrieved women (if any) to lodge complaints and get their concerns resolved.

33. **Indigenous People:** Indigenous Peoples (IP) safeguards requirements as defined in the SPS (2009) of ADB are triggered when the projects (direct or indirect) impacts are identified on the assets or resources of some distinct group of people or tribe with their socio-economic, cultural, administrative and legal institutions different from the mainstream population or if territories or natural or cultural resources that distinct tribal group/community own, use occupy, or claim as an ancestral domain or asset are affected by the subproject. The project road sections included in the MFF mainly traverses through settled area of Punjab, Sindh and Khyber-Pakhtunkhwa except 15 km section which passes thorough Federally Administered Tribal Area (FATA) of Dara Adamkhel which is inhabited by mainstream Pashtun community living in FATA and KPK region. The subprojects works will follow the existing ROW of N-55. Screening of the tranche 1 subprojects confirmed that no IP groups exist in the project area. Therefore, the Indigenous Peoples Safeguards of the ADB's SPS (2009) are not triggered for tranche 1.

34. Nevertheless, if Indigenous Peoples (IPs) are identified at detailed design stage or during execution of the project, NHA will engage qualified and experienced experts to carry out a gender-sensitive social impact assessment (best suited and culturally appropriate) to determine the project

impacts on the IPs. And if impacts on IPs are documented, the NHA will explore all possible project design options to avoid or minimize the physical and economic displacement of IPs and in cases where avoidance of impacts is not possible the NHA will follow ADB's IPs policy and procedures to prepare a combined IPP and LARP for the subproject having impacts on IPs. During socio-economic assessment special attention will be given to identify and address the needs of indigenous people (if identified) and the combined LAR&IPP will explain the means and procedures adopted to address the needs of IPs and the compensation provided to offset the project adverse impacts. During execution of the civil works it will be ensured that IPs' dignity, indigenous knowledge, cultural and social value are fully respected and preserved.

2. Change of Subproject Scope or identification of Unanticipated Impacts

35. In case of change in scope of MFF or unanticipated impacts identified during subproject implementation are not covered under the eligibility and entitlement provisions of this LARF, new and additional eligibility and entitlement provisions will be determined in accordance with the IR safeguards requirements of the ADB's SPS and the applicable legal framework of Pakistan. Accordingly, the LARF will be updated and disclosed on the ADB and NHA websites. Based on updated LARF, specific subproject LARPs will be updated with new eligibility and entitlement provisions on account of unidentified impacts and losses under any subproject and the concerned DPs of such subprojects will be consulted and on new entitlement and LARP provisions will be disclosed to them. Nonetheless, the standards agreed and established for the eligibility and entitlement provisions in this LARF shall be maintained or may be raised, but not lowered in any update of this LARF or any subproject LARPs.

3. Compensation Eligibility and Entitlement

36. Cut-off date: The eligibility for compensation will be limited to the government announced cut-off date for each subproject that involves LAR impacts. The cut-off date shall be set and announced by the government to prevent influx of outsiders and to avoid false and frivolous claims for compensation, relocation and livelihood rehabilitation entitlements. Any person who enters in the project land after the announced cut of date or any assets established in corridor of impact after cut-off date will not be eligible for compensation however, the affected persons will be served a prior notice to remove their assets and take the salvage free of cost.

37. In case of acquisition of land and land based assets under LAA provisions, the cut-off date will be the day when formal declaration of land acquisition under Section-6 of LAA is notified and published in the official gazette. While for subproject sections within the existing ROW of N-55, the completion date of social assessment and census survey of DPs for the final LARP preparation for each subproject will be fixed as cut-off date and will be announced and publicized by the NHA. However, the efforts will be ensured that the land acquisition process and impact assessment and census survey for LARP preparation is streamlined to coincide with the cut-off date under LAA provisions and for LARP preparation.

38. Each DP will be documented and issued identification as to confirm his/her presence on the proposed site of a subproject prior to the cut-off date and to avoid false and frivolous claims at the time of LARP implementation. The cut-off date will be disclosed to the DPs through consultative meetings, focus group discussions, field surveys and other means of communication including face-to-face communication with communities in close coordination with the heads of the villages. The disclosure of cut-off date will be formalized through documentation of consultation meetings and disclosure reports.

4. Compensation Entitlements

39. In the context of involuntary resettlement, DPs are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. The persons holding or occupying the land/assets at the subproject site on or before the cut-off date and who face physical or economical displacement due to permanent or temporary loss of their assets including land, structures and other assets appended to the land or their livelihood whether full or partial as a consequence of land acquisition or eviction from public land (ROW) will be entitled for compensation and rehabilitation/income restoration provisions under the provisions of this LARF for the MFF.

40. DPs may include (i) persons or legal entities with formal legal rights to acquired land and/or structures in entirety or in part, (ii) persons who have no formal legal rights to land and/or structures lost wholly or in part but who have claims to such lands that are recognized or recognizable under national law, and (iii) persons who lost the land or structure they occupy in entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land. The eligible DPs entitled for compensation under this LARF may include but not limited to the categories defined below:

- Owners of land and assets i.e. structures (residential/commercial or of any other use) with formal legal title to land and the recorded occupiers/users of land/assets as provided in the land record registers and cadasters etc.;
- DPs whose rights are not formal or legal but whose claims are recognized or recognizable under national laws or customs will be eligible for compensation against their affected land/assets. Such DPs may include people who have customary usufruct right to the land that is held either by the community (collectively) or the state or people who have inherited, occupied, and utilized the land for generations but lack titles simply because the state has not formalized the land records and issued title to them.
- DPs without formal legal rights or recognizable claims under national law and customs and may include all squatters, tenants, sharecroppers, and wage labourers. Although such DPs lack legal or recognizable rights to the land/asset but because of lost assets or impacted livelihoods they will be considered DPs eligible to receive compensation for assets other than land and resettlement assistance.
- Cultivators or those whose livelihood is dependent on acquired land, business operators of affected commercial structures and their employees whether registered under law or informal and the identified vulnerable groups.

III. IMPACT ASSESSMENT AND SOCIOECONOMIC INFORMATION

41. The socio-economic assessment and preparation of LARPs for different subprojects to be implemented under the MFF will depend on the progress of the technical design for the subprojects included in proposed tranche at time of its appraisal, i.e., a draft LARP based on sample based impact assessment and socio-economic analysis of DPs could be prepared when tranche project is appraised on preliminary design or an implementation ready final LARP with detailed impact assessment and socio-economic analysis of DPs will be prepared when the tranche project is appraised after completing the detailed design. Draft LARPs prepared based on preliminary design will be updated to a final implementation ready LARPs based on detailed design before the award of civil works contract. The NHA's safeguards staff consultants tasked with LAR planning will closely coordinate with the design engineers to avoid/minimize LAR impacts to the technically possible extent for each identified subproject and the subproject LARPs will contain analysis of alternatives considered and efforts made to avoid and minimize LAR impacts.

42. Preparation of LARP for each subproject with LAR impacts under the MFF will require a detailed social impact assessment which will be initiated at an early stage as part of planning and design of all subprojects to be financed as tranche project. This social impacts assessment will include initial LAR impact assessment, screening and IR categorization of subprojects, inventory of lost assets (ILA,) detailed measurement survey (DMS) census of DPs (CDP), a socio-economic survey (SES), and valuation of lost assets (VLA). The results of the IR and social impact assessment will be presented in aggregate form in the subproject LARPs, and impacts inventory linked to respective DHs/DPs will be annexed thereto.

A. Initial Assessment and Screening Exercise

43. Immediately after arriving at a decision on subprojects to be financed under any of the tranche project, an initial impact assessment will be carried out as a screening exercise to determine potential IR impacts and accordingly the subproject and each tranche will be categorized for LARP preparation, implementation and monitoring requirements based on impact significance following the screening criteria outlined in section 1.5 of this LARF. The IR category for a tranche project will be determined on the basis of the total land acquisition and resettlement impacts in its civil works component. The subproject with IR Category A or IR category B will require preparation of Resettlement Plans following template provided as Annex-2. The level of detail and comprehensiveness of the resettlement plan will be commensurate with the significance of the potential IR impacts and risks. While for subprojects without IR impacts, a social due diligence report will be prepared.

B. Census Survey and Inventory of Lost Assets

44. The NHA's project land acquisition and resettlement staff and consultants tasked with LAR planning will work closely with the design engineers in the field to avoid or minimize LAR impacts and assess the LAR impacts for the purpose of LARP planning and design. The LAR and engineering consultants, will obtain requisite land ownership and use records about the land and assets subject to acquisition; prepare topographic maps showing the alignment of subproject road and facilities with marked LAR impacts preferably superimposed on the cadastral map showing the boundaries of impacted assets; and will conduct impact assessment and census surveys on 100% basis to prepare an inventory of lost assets in coordination with local land revenue staff, the DPs and the local communities for each subproject involving LAR impacts.

45. Census of DHs will follow the impact assessment and detailed measurement survey by using pre-structured questionnaire to enumerate all physically and economically displaced persons in a subproject, including all DHs, and, if applicable, displaced enterprises as well. The census questionnaire will include sections on DH's profile including limited demographic and socio-economic characteristics (family type and size (gender segregated), ethnicity, literacy status (gender segregated), household income level with income sources and vulnerability status in terms of poverty, disability and gender of household head, household property (land and land based assets) and project affected assets with title. The census will also inquire into the compensation preferences and expectations of each DH. The census will: (i) register who the potential DPs are; (ii) assess their income and livelihoods; (iii) prepare and inventory of their assets affected due to the project; and (iv) collect gender disaggregated information on the economic and socio-cultural conditions of DPs. The census will cover 100% of DHs. Since many plots have not been subdivided and registered in the land records under multiple names, the census will focus on the household of the primary user of the land and reflect other names in the land record as co-owners.

46. The data on affected assets and census of DPs will be used to prepare a quantitative Inventory of Lost Assets (ILA) linked to the entitled DPs as part of the LAR impact database, including land, immovable property (buildings and other structures), and income losses. The ILA will be corroborated or updated with information from relevant government sources, such as offices in charge of land administration and property registration. If necessary, outdated official records will be updated according to the current status of the DP's assets. If the LAR impact assessment is based on the feasibility design of a subproject, a preliminary project impact assessment and asset valuation will be prepared based on estimated impacts. If a final detailed engineering design is available; a complete census and updated ILA will provide the basis for the detailed measurement survey (DMS) indicating the final complete quantification of all lost assets caused by a subproject.

C. Socioeconomic Assessment

47. A socio-economic sample survey will be carried out for every subproject to obtain a detailed understanding of the social and economic conditions of the DHs. The SES data will also serve the purpose to provide baseline data for the monitoring of the implementation of the LARP and to evaluate the impacts of the project. The survey will provide a detailed socio-economic profile of DHs. The key variables for survey and the data collection will focus on: (i) household composition and demography; (ii) education; (iii) livelihood patterns; (iv) ownership pattern of the households; (v) household income sources, income levels and expenditure patterns; (vi) availability and access level to social services; (vii) DPs views on the project and various resettlement and rehabilitation options; (viii) specific impacts on the poor, indigenous people, women and other vulnerable groups. All data collection and presentation needs to be disaggregated by gender and other relevant social characteristics, depending on the social groups of concern (for example IP, ethnic or vulnerable groups). During SES, attention will be paid to possible previous or future occurrence of displacement due to LAR among the communities of the DPs.

48. For gathering socio-economic baseline information on above parameters a mix of research methods/techniques will be used, including quantitative sample survey, focus group discussions, key informant interviews form a randomly selected sample size and walkthrough surveys to observe the area in which the DPs live. The survey will be used to investigate the DPs socio-economic condition, identify the project impacts on DPs and to establish a benchmark for monitoring and evaluating the implementation of a subproject's compensation and rehabilitation program.

49. All data collection and presentation will be disaggregated by gender and other relevant social characteristics, depending on the social groups of concern (for example IP, ethnic or vulnerable groups). The sample size for socio-economic survey will depend on the total number of DHs in a subproject. If the number of DHs is high, a minimum sample of 20-25 percent of DHs will be considered appropriate for socio economic analysis. A smaller number of DHs will require the sampling of a larger percentage and if the DHs is below 100 then efforts will be ensured to gather socio-economic information for all DHs. Sampling will be a combination of purposive selection of specific groups in the population from various affected locations and random selection within these groups. Nonetheless, efforts will be ensured to conduct socio-economic analysis for all identified vulnerable households and those facing significant impacts irrespective to the size of displaced population.

D. Detailed Measurement Survey

50. A detailed measurement survey (DMS) will be carried out with participation of DPs for identifying and providing the measurement of the exact dimensions and quantities and valuation of all affected assets, including, as applicable, land (residential and agricultural), buildings, communal/public or cultural/religious facilities, crops, trees and business incomes and wages, will be the basis of the impacts assessment will be included in the LARP. The pricing for loss of houses and structures will be based on precise measurement and record of type, quality and measurement of materials and will be calculated based on replacement cost, i.e., cost of new building materials and labor.

51. Based on the detailed design, the DMS will determine the exact size, type, and quality of each asset (land, structures or other assets appended to land) with quantum of impacted/acquired part thereof with ownership title, type and use. The inventory of losses will be finalized by the resettlement experts and design engineers of the detailed design consultants. Income losses due to affected business or livelihood sources including employment loss will also be determined either based on official records, including tax records and accounts if available or through consultative process with the DPs. Agriculture based income losses will be assessed and quantified on the lost harvests by measuring the lost cropped area of all applicable crop types and trees fruit or timber wood.

E. Computerized LAR Database

52. Once DMS and valuation of assets is completed, the ILA linked to the DPs census data will be updated by incorporating entitled compensation costs for the acquired assets and applicable relocation, rehabilitation and income restoration costs applicable against each acquired asses and payable to the respective DPs. The updated ILA and socio-economic baseline of DHs will be consolidated and maintained as computerized LAR database for each subproject LARP. This database will be used as baseline for subsequent implementation and monitoring of subproject LARPs. This database will be regularly updated by incorporating information on compensation payment against each paid DP for day to day tracking of LARP implementation progress and generating periodic LARP implementation progress and social monitoring reports to facilitate efficient safeguards management and monitoring of LARP implementation progress.

F. Valuation of Lost Affected Assets

53. The SPS 2009 requires that the compensation for acquired assets should be on replacement cost basis including fair market value, transaction costs, transitional support, interest accrued and

other applicable payment under law, while Section 23⁸ of LAA 1894 explains the compensation determining mechanism. Besides the taxes, fees or any charges on land subject to acquisition are waived off and the affected land owners are provided with solatium at 15% of assessed land compensation rate as compulsory land acquisition surcharge. Although the mechanism for compensation assessment under LAA is somehow consistent to the SPS requirements, it is likely that in some instances, the compensation cost assessed under law may fall below the replacement cost because of the tendency of undervalued registration of recorded transactions.

54. When needed, CAREC Corridors subprojects will ensure compensation for land is in on full replacement value either arrived through negotiated settlement of land cost or assessed by the BOR authorities' under LAA provisions. The negotiated settlement of land cost will be considered as preferred option for land acquisition and if that is unsuccessful or is considered inexpedient then land compensation shall be assessed following procedures laid down in LAA provisions. In either case, land compensation will be computed on replacement cost basis by adopting the following process:

55. **Negotiated settlement of land cost** will be initiated immediately after publication of notification under Section 4 of LAA 1894, on the written confirmation from the NHA to the district collector. The NHA, in coordination with the district collector will constitute a committee for negotiated land acquisition with representative members form EALS, PMU/PIU and relevant local government offices. The Committee will conduct negotiations for settling negotiated land cost with land owner DPs whereas the district collector's office will facilitate the committee by providing estimated land costs and relevant records of land required during negotiations process. The committee will determine market value of land for negotiated purchase by considering the factors including but not limited to: (i) estimated land costs determined by the land revenue authorities based on yearly average from recorded transactions prior to notification of section-4 under LAA,(ii) the price paid for similar land types recently acquired in the project area and paid price for similar land types in recent private transactions (recorded before notification under Section-4) (iii) consultation with respectable people, property agents and appraisers who are disinterested with regard to the value of the land; and iv) review of updated land valuation tables and other available information and instructions on valuation of assets under national laws and LAA procedures. To commence negotiations, the negotiation committee will request land owner DPs to indicate their claim for land cost and shall offer the market value of land determined by negotiation committee equal or above the cost estimated in darft LARP. Other entitlements applicable under LARP provisions will also be disclosed and explained.

56. The process of negotiations with the land owner DPs will be completed within 90 days preferably from the day negotiations started. In case of successful negotiations, mutually agreed land cost will be the basis to compensate for acquired land. Levies, taxes and transaction costs applicable will be waived off as required under LAA procedures. Meanwhile, other applicable compensation and resettlement and rehabilitation allowances will be provided as per LARP provisions.

57. **Assessment of land compensation under LAA provisions.** In case negotiated settlement is failed or considered inexpedient, the compensation assessment will follow the process under LAA provisions. The district collector/land acquisition collector appointed under LAA by the BOR will assess and award compensation package that will be based on fair market value and other incidental costs as provided in Section 23 of LAA 1894. However, to ensure the compensation is reflective of replacement cost, the factors that will be considered by the BOR's district land revenue officers and

⁸ Section 23 requires to compute compensation on i) fair market value as of section 4, ii) sustained crop and tree losses, iii) losses resulted from severing of land, iv) losses for injuriously affecting other immovable or moveable holding and earnings, v) losses for compelled change of residence or business place and vi) diminution of profits etc.

the LAC to determine fair market value of land will include: (i) the price paid for land recently acquired in the project area and price paid for land in recent recorded private transactions (recorded in the year preceding notification under Section-4) in mutations register or the record of the registration department; ii) review of update land valuation tables and other available information and instructions on valuation of assets under national laws and LAA procedures etc., (iii) review of prevailing market rate determined through consultation with respectable people and property agents/appraisers who are disinterested with regard to the value of the land etc. In addition to the land compensation determined under law, a 15% compulsory acquisition surcharge and any additional assistance applicable under law will be provided as solatium.

58. **Temporary occupation of land** if required for project contractor's facilities like camp sites, stack yards etc. will be through term lease agreement between the civil works contractor and the land owners. The Contractor will directly negotiate with the respective land owners to agree on terms and conditions of leasing arrangement for temporary occupation of land and accordingly a lease agreement can be signed between the contractor and the respective land owners. However, the PMU will ensure the lease terms are judicious and cover provisions on restoration of land to its original use if it is not otherwise agreed between the contractor and the land owners. But, if the land is required temporarily for constructions of diversions, the PMU can itself procure occupation of such land on a termed lease either by invoking section-35 of the LAA or through direct negotiations with the land owners. In either case the temporary occupation term will not exceed three years and the land owners will be provided with the agreed lease money and incidental land restoration costs to restore the land to its original use. The provisions on establishment of campsites, stock yards and temporary diversions will be included in the EMP prepared for the project and shall be monitored accordingly.

59. **Assets other than land**, including structures, crops, tress if acquired will also be compensated on replacement cost without depreciation and salvage material will be allowed to be taken by the DPs. For providing compensation on replacement cost for affected assets other than land the following measures will be considered for valuation and assessing unit compensation rates:

- Houses and other structures will be valued at replacement cost based on construction type and size of the affected structure and prevalent labour cost in the area. In case of the partial loss with remaining structure viable to restore for its use, the compensation on replacement cost bases will be paid for restoration of the affected structure and when the structure is affected to the extent not restorable, it will be compensated in entirety. No deductions will be made for depreciation, salvageable materials or transaction costs and taxes. Rates for building structures will be evaluated by the NHA where relevant using the latest/current composite schedule rates that are regularly published.
- Crops will be valued at current market rates of gross annual value of harvest as determined by the relevant provincial agricultural department.
- The loss of fruit and non-fruit bearing trees will be compensated based on their type, productive age and the market value of the produce for the remaining period of its average life or a period required to grow a new tree with same production potential. The value of younger but un-productive fruit trees will be based on the expenditure made to bring the tree to its current state. Coordination will be made with the agriculture and horticulture departments of the Sindh, Punjab and KPK provinces for the assessment of fruit tree losses.
- The value of trees that would have been used for timber will be calculated based on the average volume and quality of wood produced and taking into consideration the size classes

as determined by girth, diameter at breast, height and volume as assessed by the forest department of each province.

- Lease rate/rent for temporary use of land will be fixed as per prevailing market rate in agreement of the DPs.

IV. CONSULTATION, PARTICIPATION AND INFORMATION DISCLOSURE

A. Consultation, Participation and Information Disclosure strategy (CPID)

60. Consultations, participation and information disclosure will be an integral part of IR planning and LARP preparation and implementation strategy for each subproject under the MFF. The NHA will devise and implement a comprehensive consultation, participation and information disclosure (CPID) strategy to ensure the stakeholders who are directly or indirectly involved in the project including DPs, marginalized/vulnerable beneficiary groups, their host communities, government officials and civil society for each and every subproject identified as having involuntary resettlement impact are meaningfully consulted in LAR process.

61. CPID will be an ongoing process that: (i) begin in the subproject preparation stage and is carried out on an ongoing basis throughout the subproject cycle; (ii) provides timely disclosure of relevant and adequate information in manner readily accessible and understandable to the DPs; (iii) enables to document and address the concerns of stakeholders including DPs; iv) is undertaken in an atmosphere free of intimidation or coercion and is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of DPs and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with social fabric of the subproject area and the impacts on affected communities.

62. As part of CPID, meaningful consultations will be carried out particularly with DPs, beneficiaries and other key stakeholders during preparation and implementation of LARPs of the subproject. The timing and nature of these consultations will vary depending upon the implementation program. Subproject specific stakeholders will be identified through the initial social impact assessment of each subproject. Stakeholder consultations and information dissemination will be carried out over the preparation of the subproject through community meetings, focus group discussions and interviews of key informants for their views and recommendations for the subproject preparation and implementation. These recommendations will be included in the subproject LARPs and with description of actions defined to address them.

63. Specific consultations will be carried out with the DPs to solicit their views, identify their needs and preferences for compensation and rehabilitation measures and relocation. In this regard the DPs will be thoroughly informed on the results of the census and impact assessment and their preferences for compensation and other resettlement assistance will be given due consideration. Additional separate consultation meetings with women and vulnerable DPs will be held so their voices are not constrained by powerful sections of the DP communities. Individual negotiation meetings will be held with DPs, as necessary, to resolve any disagreements and reach individual agreements.

64. The consultation and information disclosure process will continue throughout subproject implementation period and the NHA LAR staff will retain a close liaison with the DPs and other stakeholders. The DP and other stakeholders will be informed on their rights, eligibility, compensation entitlements, payment procedures and requirements. The project based grievance redress system with grievance handling mechanism will be explained and the DPs will be kept informed during resolution of grievances. The information related to land acquisition process and status, processing of claims, payment of compensation timelines for acquired assets and delivery of resettlement, rehabilitation and income restoration costs/measure will be provided repeatedly. For this purpose

Displaced Persons Committees (DPCs) could be established in each affected settlement/area along the subproject road alignment.

65. The consultation meetings with all stakeholders will be recorded and documented comprehensively, including signed attendance lists, photographs and minutes of the key issues addressed and agreements reached, observations made in the field, and outstanding issues in need of being addressed. The consultations will be documented in the LARPs with consultation records appended. This information will be updated for each LARP update and will also be continued in the LAR monitoring reports.

B. LARP disclosure and information dissemination

66. The LARF for the MFF and LARPs (draft and final) prepared for each subproject and periodic social monitoring reports prepared will be disclosed. The LARF and the subproject draft LARPs for tranche-1 project will be disclosed on ADB and NHA's websites before appraisal of the project. The LARF and the subproject LARPs will be disclosed to DPs and other stakeholders by placing copies at accessible locations including the relevant PIU and Taluka/Tehsil offices of the respective district along the subproject corridor.

67. The LARF and summary of the subproject LARPs detailing information about subproject description and LAR impacts, legal framework, compensation eligibility and entitlements, grievance redress mechanism, institutional arrangement, compensation payment process and implementation time frame will be translated into Urdu and will be disclosed to the DPs and local communities.

68. NHA will prepare a LAR information brochure in Urdu Language including summary information on the key aspects of the LAR process of a subproject including but not limited to subproject description and LAR impacts, grievance redress mechanism with institutional set-up, general eligibility and entitlement provisions, and the timing of LAR activities etc. Such brochure will be disseminated to the DPs during preparation and updating of the LARPs. The information Brochure will be updated with every LARP update. In addition, the cut-off date and other information on relevant issues will be disclosed to DPs and other stakeholders in the subproject area through leaflets in Urdu made available at project and relevant government offices. For illiterate people, other suitable communication methods will be used.

69. Any corrective action plan (CAP), if required, prepared during the project implementation and the Social Monitoring Reports about LARP implementation and social safeguards management for each tranche project will be disclosed to the DPs and on NHA and ADB's website.

Table 5: Consultation, Participation and Information Disclosure Strategy

CPID action	Stakeholders	Method	outcome
During LARP preparation			
LAR impacts assessment and ILA.	Affected households , DPs and local community, Design consultants, NHA project staff and relevant officials of revenue department.	Individual meetings, focus group discussions.	Stakeholders including DPs informed on project impacts. DPs concerns recorded and mitigated.
Census, SES survey and announcement of LAR cut-off date	Affected households, DPs and local communities, Design consultants and NHA project staff,	Quantitative survey, and key informant interviews, Individual meeting, FGDs and walk through surveys	DHs/DPs profile and LAR related concerns and suggestions recorded. Cut-of date disclosed and explained.

CPID action	Stakeholders	Method	outcome
	Local land revenue and other relevant government departments		
DMS and Asset Valuation	Affected households and DPs, LAR consultants and NHA project staff, Local land revenue and other relevant government departments, Real estate agents and property appraisers, Local notables and communities.	Individual meetings, focus group discussions and key informant interviews.	Impacts and asset valuation explained to the DPs.
Consultation meetings on (draft) final LARP.	DHs/DPs, local communities, NHA Design and LAR staff and design consultants, District Land Revenue authorities, LAC and Patwaris, relevant local government departments, CBOs and CSOs etc.	Formal LARP disclosure meeting/workshop	The LARP provisions disclosed and documented.
During LARP implementation			
Disclosure of LARP	DHs/DPs, local communities, NHA Project and LAR staff, District Land Revenue authorities, LAC and Patwaris including other relevant local government departments, CBOs and CSOs etc.	Disclosure through websites, by placing hard copies of at accessible places in project corridor and through disseminating translated (Urdu) summary of LARP to DHs/DPs.	The LARP uploaded on ADB and EA websites, The DPs and other stakeholders informed on LARP provisions.
Grievance redress mechanism established and functional	DPs, Local Communities, NHA project engineering and land staff, supervision consultants and civil work contractors, District Land Revenue authorities, LAC and Patwaris including other relevant local government departments etc.	Individual meetings focus group discussions and by disseminating GRM related information through leaflets, brochures and installing hoardings in the project corridor.	DPs fully aware and accessing project based GRM to address their concerns.
LARP implementation arrangement and timelines	DPs, Local Communities, NHA project land staff, District Land Revenue authorities, LAC and Patwaris etc. supervision consultants and civil work contractors,	Individual meetings focus group discussions, delivery of compensation payment notices and installing hoardings in the project corridor.	DPs compensation claims processed and paid.
LARP monitoring	NHA project land staff, internal and external monitors, DPs, and Local Communities, and NHA and ADB.	Individual meetings, Key informant interviews FGDs and disclosure of monitoring results/reports on web.	LARP implementation progress assessed and monitoring reports disclosed to DPs and through web.

V. INSTITUTIONAL ARRANGEMENTS

70. The land acquisition and resettlement planning, preparation, implementation and monitoring of subproject as well as compensation/rehabilitation program described in this LARF involves a number of institutional actors and distinct processes to be carried out by different agencies. The main institutions that will be involved in the LAR activities include NHA as the Executing Agency (EA) which will be mainly responsible for the subproject execution and delivery of safeguards management following provisions outlined in the LARF in a manner consistent with the ADB policy principals and national legal framework. NHA will engage design and supervisions consultants including safeguards specialists for assisting NHA in preparation, implementation and monitoring of the resettlement plans for different tranche projects and subprojects during implementation of the investment program. For LAR impact assessment, valuation and acquisition of land and other assets for the project, other line departments/ agencies, such as land revenue department, forest and agriculture department will also be involved. The institutional arrangement for supervision and implementation and of LAR process as per provisions of this LARF is explained below.

A. Institutional Roles and Responsibilities

1. National Highway Authority (NHA)

71. NHA as the executing agency has overall responsibility for the Program including preparation, implementation and financing of all LAR tasks and cross-agency coordination. NHA at its HQ has different wings/units for planning and design, construction, procurement, finance and administration of NHA activities and each wing/unit is headed by a member. For supervision of countrywide road infrastructure NHA has established 4 Zones⁹ each headed by a zonal member responsible for road network and development projects in respective zones, For foreign-funded projects, specific project implementation units are established to ensure proper and timely execution of the project.

72. For safeguards management of projects to be financed under the MFF, NHA will exercise its functions through a Project Management Unit (PMU) and EALS with general project execution responsibility at planning, design and implementation phases and through the land acquisition and resettlement units at the Project Implementation Units (PIU) to be tasked with daily LARF implementation activities at the subproject level.

2. Environment, Afforestation, Land and Social unit (EALS)

73. For acquisition and management of ROW land and environmental and social safeguards management of foreign-funded projects, NHA, under supervision of member administration has established a unit called Environment Afforestation Land and Social (EALS) at its headquarters in Islamabad. EALS land management and social staff is also mobilized at the zonal and project levels for assisting in land acquisition process and delivery of LAR activities. For the purpose of this MFF, the EALS will be overall responsible for planning, implementation and supervision of LAR functions and CRRP program, as described in this LARF.

74. The EALS at HQs will be responsible for policies, planning, and implementation of all safeguards related activities of the investment program. The EALS team at HQs will coordinate with planning and design wing of NHA, the PMU/PIU established for the facility and the design and LARF preparation consultant's teams to assist and guide them effective safeguards management under

⁹ Four Zones include: i) Center Zone (Punjab Province), ii) North Zone (KPK Province), iii) West Zone (Baluchistan Province) and iv) South Zone (Sindh Province).

provisions of this LARF and LAA procedures and on timely delivery of quality safeguards documents. While the EALS staff posted at zonal level and in LARUs at PIU level will collaborate with the LARP preparatory consultants, local land revenue authorities, land acquisition collectors and safeguards consultants engaged for implementation and monitoring of LARP during execution of the financed projects under this investment program and will ensure timely completion of LAA process, LARP updating and implementation during execution of the subproject.

75. The EALS will keep a close liaison with the ADB safeguards team to seek clarity and guidance on safeguards requirements of the program and will supervise the EALS staff posted at LARU established at PMU/PIU level and the safeguards specialist mobilized through design and supervision consultants for different tranche projects and subproject during safeguards management, implementation and monitoring of LARPs. EALS will ensure quality of safeguards documents prepared by the consultants or the LARUs at PMU and shall endorse all safeguards related documents to ADB for review, clearance and disclosure.

76. Some specific tasks for effective safeguards management at PMU/EALS level will include the following:

- i. Coordinate with the design and LAR consultants and keep an oversight to facilitate LAR teams during impact assessment, census and socio-economic surveys and consultations with DPs during for LARP preparation. This is to ensure consistency of approach and avoid variation in information obtained and given and to address issues immediately as they arise on site;
- ii. Ensure that the LARP preparation consultants should in conformity with the LARF provisions and the impacted assets should be accurately assessed and linked to the respective DPs.
- iii. Coordinate with LAR consultants, Land Acquisition authorities and other line departments and units in NHA to streamline land acquisition and resettlement planning activities for the Project and facilitate information dissemination and consultation with DPs on all matters affecting DPs to ensure compliance with the requirements of the LARF, ADB's Social Safeguard Policies and Land Acquisition Act 1894.
- iv. Ensure that land acquisition activity (either private negotiation or expropriation) after publication of Section 4 is followed by updating land records; negotiation committees established and negotiations concluded timely; and land price assessment is reflective of current market rates.
- v. Coordinate with the provincial governments, PMU, PIU to constitute negotiation committees for land acquisition through private negotiations and participate in meetings of negotiations committees and Land Price Assessment Committees to clarify, explain and ensure that the compensation recommended by the land price assessment committees is reflective to fair market value and replacement costs for land/assets;
- vi. Ensure timely disclosure of design and LAR related information to the DPs which may include information on project alignment and design, ROW land acquisition process and publication of notices under LAA provisions by the LAC in a format and language easily understood by DPs and at easily accessible places.
- vii. Internally review the LARF and LARPs (draft/updated), coordinate with ADB in review and approval process, and ensure timely disclosure of approved LARPs on NHA Website and translation of Summary LARPs in local language for disclosure to DPs;
- viii. EALS will function as grievance redress office on LAR related matters/concerns raised by the DPs during LARP preparation or the complaints forwarded by the project GRC or by the DPs unsatisfied with decision of the project GRC. The complaints will be registered and acknowledged to DPs and addressed after investigating the facts and hearing the complainants.

- ix. Coordinate with the LARUs at PIUs for review of LARP implementation progress and ensure timely preparation of quality monitoring reports. The monitoring reports will be internally reviewed by EALS to ensure quality final reports are shared with ADB for review and acceptance and shall ensure timely disclosure of approved monitoring reports LARPs on NHA Website.
- x. With assistance and support from PIU LARU, establish and maintain an updated LAR database for each tranche-project at PMU and NHA HQs level.

3. Project Management Unit (PMU) and Project Implementation Unit (PIU)

77. At the project level, NHA will exercise its functions through the PMU which will be created for the implementation of the investment program under the MFF. The PMU will have the project implementation units for each subproject under different tranche-projects. The PMU will be responsible for general project execution of the project and streamline the safeguards management of different subproject with assistance and technical guidance from the EALS. The PMU will collect information and progress on social safeguards compliance through the Land Acquisition and Resettlement Unit (LARU) established at Project Implementation Units (PIU) for each tranche project which will be tasked with day-to-day project related activities at project and subproject level. The PMU will be headed by the General Manager while each PIU will be headed by a Project Director.

4. Land Acquisition and Resettlement Unit (LARU) at PIU

78. The LARU will be nested in PIU which will manage LAR tasks at the subproject level with technical assistance and guidance from the responsible unit in EALS. The LARU will take the ultimate responsibility for preparation, implementation and monitoring of LARPs for the subprojects to be implemented under a tranche. The LARU will include i) Project Director (unit head), ii) Deputy Director land/Social, iii) Land Acquisition Collector, iv) Resettlement Specialist mobilized through design/construction supervision consultants) supported by the land staff (patwaris) social mobilizers engaged for the project.

79. The LARU will play a vital role to look after the routine LAR matters of the project and ensure implementation of LAR activities including but not limited to preparation/updating, implementation and monitoring of Resettlement Plans and implementing the CPID and grievance redress mechanism at subproject level.

80. Some key tasks for the LARU to ensure effective safeguards management at PIU level will include the following:

- i) Coordinate in land acquisition process and resettlement planning activities for the subproject; review impact and census data, conduct field verification and update census of DPs linked with project impacts by type, category and severity; prepare compensation packages for each DP on the basis of agreed unit rates and provided entitlements criterion; and accordingly update the approved draft LARP (as and when required). Based on updated census and impact categories of DPs included on final LARP, prepare and issue ID cards particularly for the DPs without legal or legally recognizable title about land and other lost assets.
- ii) Coordinate with DPs and other stakeholders including line government departments and CSO and conduct meaningful consultation with all DPs and other interested stakeholders on the LAR related issues and maintain a record of the consultation including consultation meeting attendance sheets, pictures and meeting minutes;
- iii) Assist PIU to operationalize and implement the project based GRM at each subproject level; facilitate logging and tracking of complaints and conduct field investigation on complaints tendered by the DPs; coordinate with the project GRC to review and address

- any grievances submitted in a timely manner; and establish record keeping system for complaint etc. Further, assist the PIU to constitute village level displace person committees and extend the GRM at village level for review and redress the grievances at village level by the DPCs with coordination and support from LARU.
- iv) Coordinate with line government departments at District and sub-District level including Land Revenue Department, Forest Department and Agriculture Department as well as with local community, property agents and appraisers for asset (land and other assets) valuation and compensation calculation in a manner consistent with this LARF provisions.
 - v) Ensure that land acquisition activity after publication of Section 4 is followed by updating land records and land price assessment is reflective to current market rates following procedures outlined in the Section III (F) of this LARF.
 - vi) Coordinate and facilitate the negotiation committee in case the land is acquired through private negotiation and assist the committee for determining the base market value considering factors as outlined in section III (F) and communicating with DPs for private negotiations; assist the negotiation committee to document the negotiations process and retain the meeting record including attendance sheets, meeting minutes and pictorial presentations etc.; and facilitate negotiation committee and the DPs to finalize and execute sales deed if negotiation is successful.
 - vii) If negotiation is not successful, coordinate with the local land revenue authorities for completing land acquisition process under LAA provisions, participate in Price assessment Committee meetings at each district to clarify replacement value/cost and ensure the assessment is fully reflective of current market value arrived following provisions of this LARF and LAA procedures.
 - viii) Implement CPID strategy as outlined in this LARF and ensure timely disclosure of information to all DPs about project design alignment, land acquisition notifications issued by the LAC and facilitate information dissemination and consultation with DPs on all matters and disclosure of LARP provisions and information about the GRM and compensation payment mechanism by formal and informal means;
 - ix) Mobilize and facilitate the DPs to process their compensation claims and receive compensation and coordinate with and support the LAC and Project Director throughout compensation disbursement process in office and field during preparation of claims and issuance of compensation vouchers against land and land based assets under LAA provisions and compensation cheques for entitled R&R allowances and income restoration measures under LARP provisions;
 - x) Establish and maintain an updated LAR database for each subproject at PIU level and assist the EALS in establishing and updating the LAR database at PMU level.
 - xi) Track day to day progress on implementation of LARPs and prepare monthly progress reports on LAR implementation and periodic monitoring reports at least biannually or with a frequency as provide in ADB cleared subproject LARPs.

5. The District Government departments

81. The jurisdiction and functions for land administration, valuation, acquisition and compensation rests with provincial Board of Revenue which exercises its jurisdiction and functions through its Divisional and District Officers including Commissioner/Executive District Officer Revenue, Deputy Commissioner/District Officer Revenue and Land Acquisition Collector at district and sub-district level. All land acquisition affairs, including publication of notifications under LAA provisions, identification and assessment of land, determination and delivery of compensation for land acquired under law rest with the LAC. The LAC is assisted by the sub-district level land revenue officers (Deputy District Officer Revenue, Tehsildars, *Quanogo* and *Patwari*).

82. Functions pertaining to assessment of compensation of non-land assets rest on Provincial line-agencies and their District level offices. Assessment of compensation for, buildings' and other built infrastructure pertains to the buildings and works department, crops and productive trees are assessed by the to the Department of Agriculture and horticulture; and the compensation for wood trees losses is assessed by the Department of Forestry.

6. Design and Construction Supervisions Consultants

83. NHA will engage Design and Construction supervision Consultants having adequate human resources for assisting NHA and PMU/PIU in LAR planning and preparation, implementation and monitoring of LARPs. The Design Consultants will mobilize a team of qualified resettlement specialist with experienced enumerators and surveyors for impact assessment, census, SES surveys and conducting meaning consultations during project design stage who will facilitate the PMU and EALS in updating the LARF (if required) or draft LARPs prepared based on feasibility level design for tranche-1 subprojects and prepare social assessment reports or SPRSS and resettlement plans for subsequent tranche projects to be submitted with PFRs for appraisal of subsequent tranche projects.

84. At PIU level, the resettlement specialists and team of social mobilizers (male and female) will be mobilized through supervision consultants on full time or intermittent bases to assist the LARU in PIU to review, verify and update impact data and census of DPs, to link the DPs with impact type and significance and corresponding compensation cost entitled to them and if required will update the LARPs accordingly before its implementation is started. The safeguards team so mobilized will be placed in LARU with PIU which will provide technical support and advice to the LARU on safeguards management and will assist the LARU to implement CPID strategy, recording and redressing the grievances, mobilization of the DPs for processing of compensation claims and assisting the LARU in delivery of compensation to the PIU. It will also assist LARU to maintain an updated LAR database, monitor day to LAR implementation progress and prepare monthly progress reports and periodic social monitoring reports including consolidated progress of LARP implementation and social management achieved during monitoring period.

7. Ministry of Finance (GoP) and NHA's Finance Wing

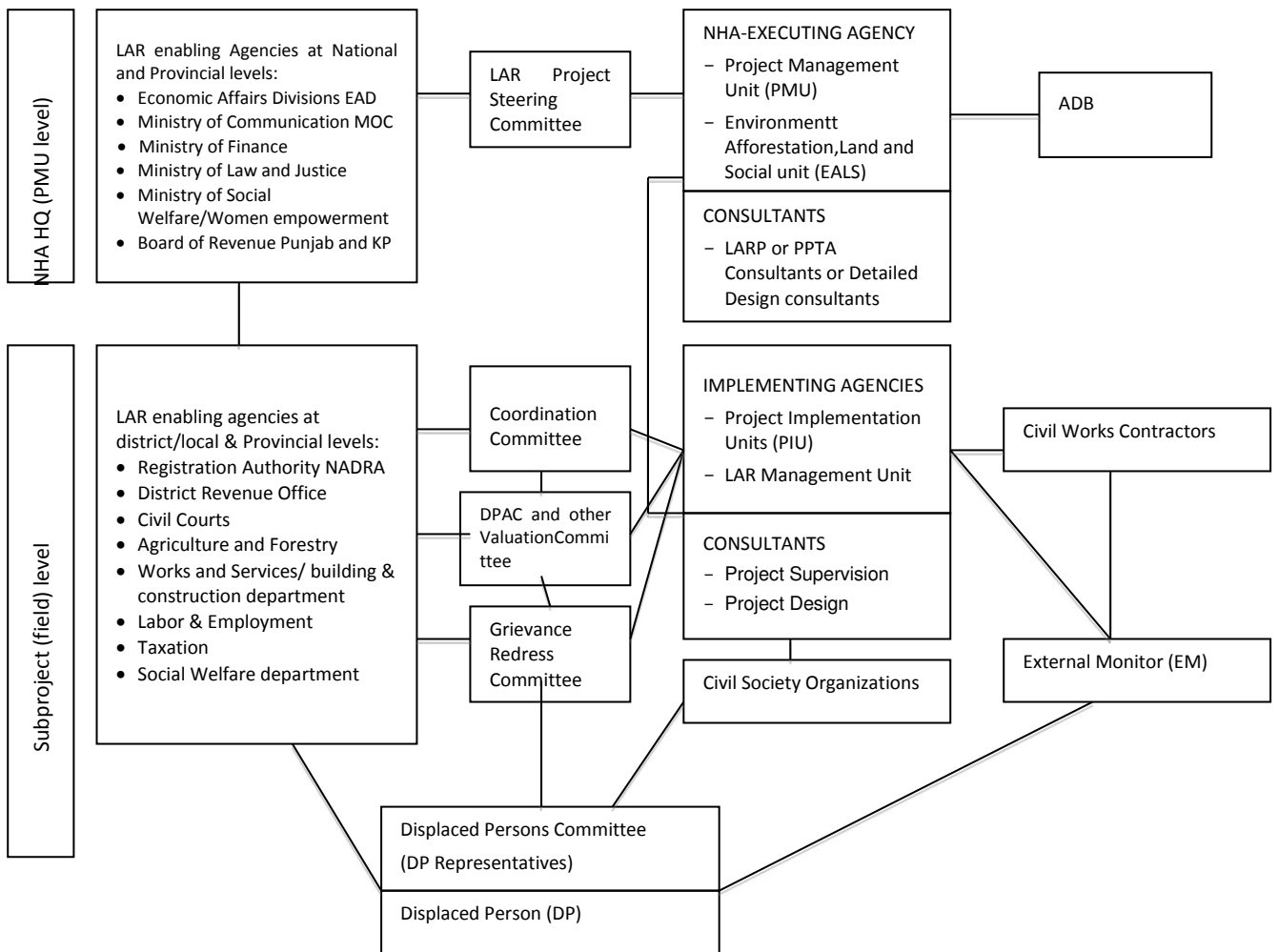
85. The Ministry of Finance GoP is responsible for the timely provision of financial resources to NHA for execution of the project, acquisition of land and implementation of LARPs as per approved PC-1 for the project and LAR activities. While in NHA, the Finance Wing will be responsible for timely release and deposit the of required LAR funds in the project account at disposal of PMU/PIU for subsequent disbursement to DPs for their acquired assets.

8. External Monitoring Agency (EMA)

86. NHA will hire an agency or an individual expert (with team) to conduct independent monitoring and evaluation for the implementation of LARP(s). The EMA shall review the implementation progress throughout the LARP implementation, as reported in the internal monitoring reports (IMR) by the PIU, evaluate the level of achievement of LARP objectives, identify gaps, if any, and propose remedial measures for implementation. The EMA shall be hired either for all subprojects with LAR issues under a tranche.

87. A institutional set-up involved in LAR management at national, provincial, NHA and project level is presented in the figure 2 below.

Figure 2: Institutional Set-up for LAR management of MFF



9. Coordination Initiatives

a Project Steering Committee

88. The Chairman NHA will have the overall responsibility of project execution and supervision of different project related activities and actions to be carried out by different wings of NHA involved in project planning, design, procurement, financing and administration as well as execution of project works. To synchronize the activities and actions to be accomplished by above said wings for timely delivery of the project components, the NHA will establish a project steering committee (PSC) to provide policy direction, strategic oversight and streamline and review progress on activities and actions required by different wings of NHA at different stages of the project. The PSC will meet at least quarterly to ensure coordination, review implementation progress, and provide approvals and guidance as necessary. The proposed composition of the steering committee is provided below:

- | | |
|---------------------------------------|---------------------------------|
| • Chairman NHA | Chair of the Steering Committee |
| • Member Engineering and Construction | Member |
| • Member Planning and Design | Member |
| • Member Finance | Member |
| • Member Administration | Member |
| • GM PMU | Secretary/Member |

b LAR coordination committees at PIU level

89. During planning and implementation of LAR activities, support will be required from different government departments particularly for land acquisition process, impact identification and assessment, valuation of assets and delivery of compensation for land and land based assets under LAA provisions. To improve coordination between project LAR team in PIU and line government departments, a PIU level LAR committee headed by PD, PIU with Deputy Director land or Resettlement Specialist as secretary of the LAR coordination committee will be constituted. The PSC will meet at least quarterly or as and when required on emergent need bases to ensure coordination between line departments, facilitate impact identification and assessment, timely valuation of assets and review implementation progress, and provide guidance and support to LARU in PIU as necessary. The composition of proposed LAR coordination committee will be as below:

- | | |
|---|------------------------|
| • Project Director PIU | Chair of the committee |
| • Director/Deputy Land and Resettlement (EALS) | Member |
| • Resettlement Specialist LARU PIU | Member |
| • Land Acquisition Collector | Member |
| • Representatives from district land revenue, Agriculture and Horticulture, Irrigation and Forest Departments not below the rank Deputy District officers | Members |
| • Deputy Director land and social LARU in PIU | Secretary/Member |

c Displaced Persons Consultation Committee and Representatives

90. The DPs in each subproject will be encouraged and mobilized by NHA's LAR staff and consultants to select their representatives and form a Displaced Persons Consultation Committee (DPCC). DPCC representation at village level will facilitate communication and information flow among DPs and with other stakeholders. DPCC will closely liaise with Grievance Redress Committees (GRC) formed by NHA at project and field levels. In larger subprojects with a relatively high number of DPs, DPCCs with several representatives from various subsections of the LAR impact areas, representing different types of affectedness (lost land, shelter and livelihood sources etc.) and from different social and ethnic groups, as applicable, as well as from among men and women, will be formed. The DPCC will meet monthly and on demand from members, due to LAR planning and implementation issues. The DPCC members may elect from among themselves a representative to the GRC or hold elections in a meeting of all subproject DPs. In subprojects with a very small number of DPs, one or two GRM representatives may be elected at one of the first consultation meetings.

d Civil Society Organizations

91. The relevant CSO (if any in the project area) will be engaged to cooperate with NHA's LAR staff and consultants deputed to the subproject in the required LAR impact assessment including census of DPs, ILA and SES. An appropriate CSO/NGO or a research firm, being entirely unrelated to the organization involved in the LAR impact assessment work, will be commissioned to function as a third party observer in a subproject, especially in negotiated settlements, to record and verify the DMS, VLA, negotiation and conclusion of contracts, and payment of compensation.

10. Civil Works Contractors

92. The civil works contractors selected for subprojects will be tasked with managing temporary displacement at sites used for construction purposes, including making arrangements with DPs, payment of compensation and restoration of affected land to its original state. Contractors are obliged

to commence civil works only at sites where subproject LARPs have been fully implemented and confirmed as such by EMA, The contractors' supervisory staff will participate in LAR capacity building provided by the LAR consultants of the project/facility. These requirements will be included in the works contracts and loan covenants.

11. Grievance Redress Committee

93. A project wide Grievance Redress Mechanism (GRM) will be set up for all subprojects under the investment program to address grievances arising from social and environmental impacts. The GRM will have a two-tiered structure at the subproject level and another third tier at the executing agency level, enabling immediate local responses to grievances and higher-level review addressing more difficult cases not resolved at the local level. At project/subproject level, a grievance redress committee will be established to operationalize the GRM at the PIU level. The formation of GRC and its functions will commensurate with subproject needs and requirements and will be elaborated in each subproject LARP.

B. Institutional Capacity and Development

12. Rationale for Capacity Enhancement

94. Effective land acquisition and resettlement depends on the capacity and commitment of the agencies responsible for social safeguard's planning and management. Although, NHA has been implementing ADB-funded road infrastructure projects and has acquired capacity to manage project safeguards and implement LAR related activities in accordance with the ADB IR requirements. However, lack of enabling country safeguards system, national and provincial policy and legislation on involuntary resettlement and commitment is a main bottleneck to streamline the LAR activities in NHA's system.

95. The EALS established and operationalized with a prime objective to manage the project safeguards requirements for IFI funded project in a manner consistent with the IFI policies and requirements for involuntary resettlement and indigenous people planning frameworks is over all responsible for management of safeguards under the MFF. Albeit, the EALS have qualified staff for Environment, Afforestation and Land Management but, since its establishment, it lacks trained staff for Social Assessment and Involuntary Resettlement planning and implementation. With the passage of time, selected EALS staff, both in NHA HQ and engaged on IFI financed project, responsible for land management activities, has gained hands on experience about LAR planning and implementation as well as social safeguards management but they are very few and overly committed. Nonetheless, availability of limited number of staff capable to handle safeguards at a project could not put away the requirement for inducting additional qualified and skilled human resource and expertise in resettlement planning and social safeguards management in the EALS to implement the projects under ensuing MFF and comply safeguards related loan covenants in a manner consistent with the SPS 2009.

96. For smooth Safeguards management and timely delivery of projects under the MFF, NHA requires an enabling environment together with additional qualified human resource capable to manage and monitor social safeguards. Therefore, under the investment program NHA need to build EALS safeguards management capacity by (i) inducting additional qualified and dedicated resource for management of safeguards for IFI financed projects, (ii) plan and implement capacity development program for EALS and project implementation staff for their better understanding on the project-related social issues and LAR management; and (ii) to strengthen the role of EALS in implementation of mitigation measures and subsequent monitoring. The section below is a glance of existing and

proposed set-up at EALS for management of safeguards requirement of the projects to be implemented under the MFF.

13. Current and Proposed Additional Institutional Set up for EALS with Resources

97. The EALS unit, headed by a General Manager, housed at NHA HQs, was established back in 2009 by NHA to fulfil its obligations on safeguards management including Environment and Social Safeguards for ADB and other IFI financed projects. Now during ongoing restructuring of NHA, the EALS unit at NHA HQs has been fragmented into two separate units, one for Land & Social, and the other for Environment & Afforestation activities. Each unit headed by separate general managers is supported by respective director, deputy director and assistant directors of each unit. Thus, in the current institutional set up of the EALS at HQs level, social safeguard related functions are housed within the L&S Section and are handled by the deputy and assistant directors, under the guidance of the General Manager. All necessary processing including the review/ quality assurance and approval of safeguards documents is the responsibility of L&S section but the unit has very limited human resource including one GM assisted by One Director Land (vacant) and three Deputy/Assistant Directors.

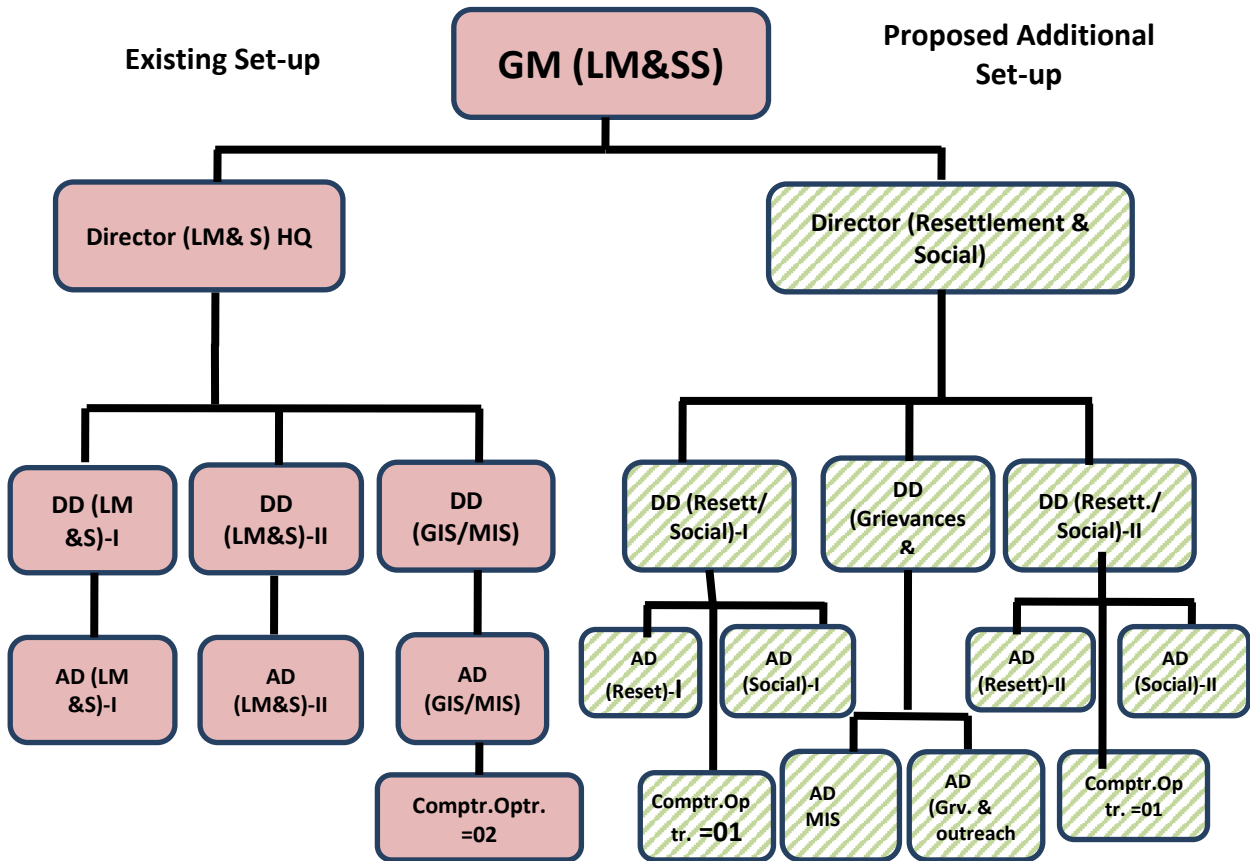
98. The L&S section is generally assisted by specialist consultants either individually contracted or outsourced mostly to the engineering firms, in all safeguard related activities i.e - preparation of LARF and project LARPs as well as implementation and monitoring of LARP, etc. but without any oversight from the NHA EALS staff due to non-availability of the adequate dedicated and skilled human resource. Thus the LAR activities are not properly streamlined in the project planning and design phases and preparation of LARPs by the consultants are not properly reviewed to ensure quality of the documents. Further, non-availability of qualified and equipped staff also results in poor oversight by EALS at implementation stage. The inadequate human resource in EALS is the main cause for jeopardizing processing of IFI financed project and subsequent implementation delays.

99. Institutional support and enhanced capacity in EALS for safeguards management is necessary for NHA to respond effectively to social safeguards issues related to implementation of multiple tranche projects under the MFF for CRREC Corridor Investment Program. In this regards, keeping in view of the NHA's existing hierarchy, it is proposed that existing GM L&S section should be restructured by including a post of additional Director with three Deputy Directors and 6 Assistant Directors with a mandate and responsibility to take care of the safeguards management for the project to be implemented under the MFF and other IFI financed project. The existing and proposed human resource capacity for LAR management at NHA HQ level is presented in figure 3 on next page.

14. Capacity Enhancement program

100. Although the EALS' existing staff has gained hands-on experience on safeguards management, it still requires to plan and implement a capacity development program to be able to more effectively provide safeguards oversight and management support to the MFF and to NHA as a whole. Hence, it is proposed that the EA should be assisted through RETA 7433 support to guide and assist LS section staff in NHA HQ and the LARU at PIU level through on-the-job coaching and training on LAR management to improve their understanding on the ADB's safeguards requirements and develop skills of EALS staff on LAR management, and monitoring. PRM safeguards team will also support EALS in designing and implementing a formal LAR management capacity development program for EALS and NHA project staff.

Figure: 3 Existing and proposed capacity of the Land Management and Social Unit in NHA



VI. GRIEVANCE REDRESS MECHANISM (GRM)

101. The project level Grievance Redress Mechanism (GRM) will be set up for all subprojects under CAREC Corridor Investment Program MFF to address grievances arising from social and LAR impacts. This LARF determines the structure, roles and functions of the GRM, through grievances arising due to LAR related impacts can be addressed in each subproject. These will be further specified in each subproject LARP. The purpose of the GRM with regard to LAR is to receive, review and resolve grievances from physically and economically displaced persons and thereby, facilitate the fair implementation of this updated LARF and the related subproject LARPs.

102. Efforts will be exhausted to avoid grievances through strong consultations participation and information disclosure strategy and the LAR activities will be conducted in accordance with this LARF provisions. Nevertheless, it may be expected that some problems cannot be resolved through CPID actions and therefore DPs require an accessible and effective GRM. Each subproject will put in place its GRM structures from the beginning of its implementation, i.e., as soon as activities for detailed project design and preparation or finalization of LARPs commence.

103. Problems to be addressed by a GRM during the planning or implementation of subproject LARPs are complaints about (i) project alignment and requests to avoid specific affected assets, (ii) the omission of impacts and some DPs in a census, (iii) impact assessment and valuation of losses, (iv) disbursement of compensation relative to entitlements stipulated in a LARP, (v) disputes about ownership of affected assets apportionment of compensation with payment delay issues, (vi) delays in payment of relocation and rehabilitation costs and design and completion of relocation sites/facilities, or (vii) the adequacy and appropriateness of income restoration measures etc. The GRM proposed in this LARF is tasked to address any grievances raised by DPs on LAR issues. Actions will be ensured to make the GRM accessible to vulnerable persons, including the poor, elderly, handicapped, female heads of households, as well as women and ethnic minorities in general. Each LARP will indicate specific mechanisms to ensure accessibility for specific groups of DPs.

104. The GRM will be set up with a two-tiered structure; one at NHA (PMU) level and another at PIU (field) level enabling immediate local responses to grievances and higher-level review for addressing more difficult cases not resolved at the PIU or local level. To ensure that all geographic reaches and relevant administrative units involved in the project are covered, the GRM will set up (i) a local mechanism in each affected village with grievance redress focal points; (ii) a grievance redress committee (GRC) at PIU and PMU levels, as applicable and useful.

105. In accordance with the above GRM mechanism, adequate grievance redress system will be available for DPs having grievances regarding any decision, practice or activity arising from land or asset assessment, acquisition, compensation, resettlement or rehabilitation or related issues. DPs will be fully informed of their rights under the statutes i.e. Land Acquisition Act 1894, and ADB Policy on Involuntary Resettlement and of the procedures for addressing complaints whether verbally or in writing during disclosure of LAA notifications and other LAR information including summary of draft LARPs, consultations throughout LARP preparation and implementation, surveys, and at the time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be done through careful LAR design and implementation, by ensuring full participation and consultation with the DPs, and by establishing extensive communication and coordination between the community, the PIU, the LAC and local governments in general. For this purpose, the PIU-based LARU will ensure timely establishment of multi-tiered grievance redress system from village level to Project level. The LARU will support PIU and PMU in NHA to establish grievance redress committee. The grievance redress committee will include Project Director as

convener, with deputy Director Land and LAC as well as Resettlement and Environment Specialist mobilized by the Supervision Consultants as its members. In addition, the GRC will have members from local district land revenue offices and the DPs (male and female) member nominated through the village level displaced person committees. While at village level Displaced Persons Committee will be assisted and supported through social mobilizers to make effort for resolving the issues at local level before its upraising to the project GRC.

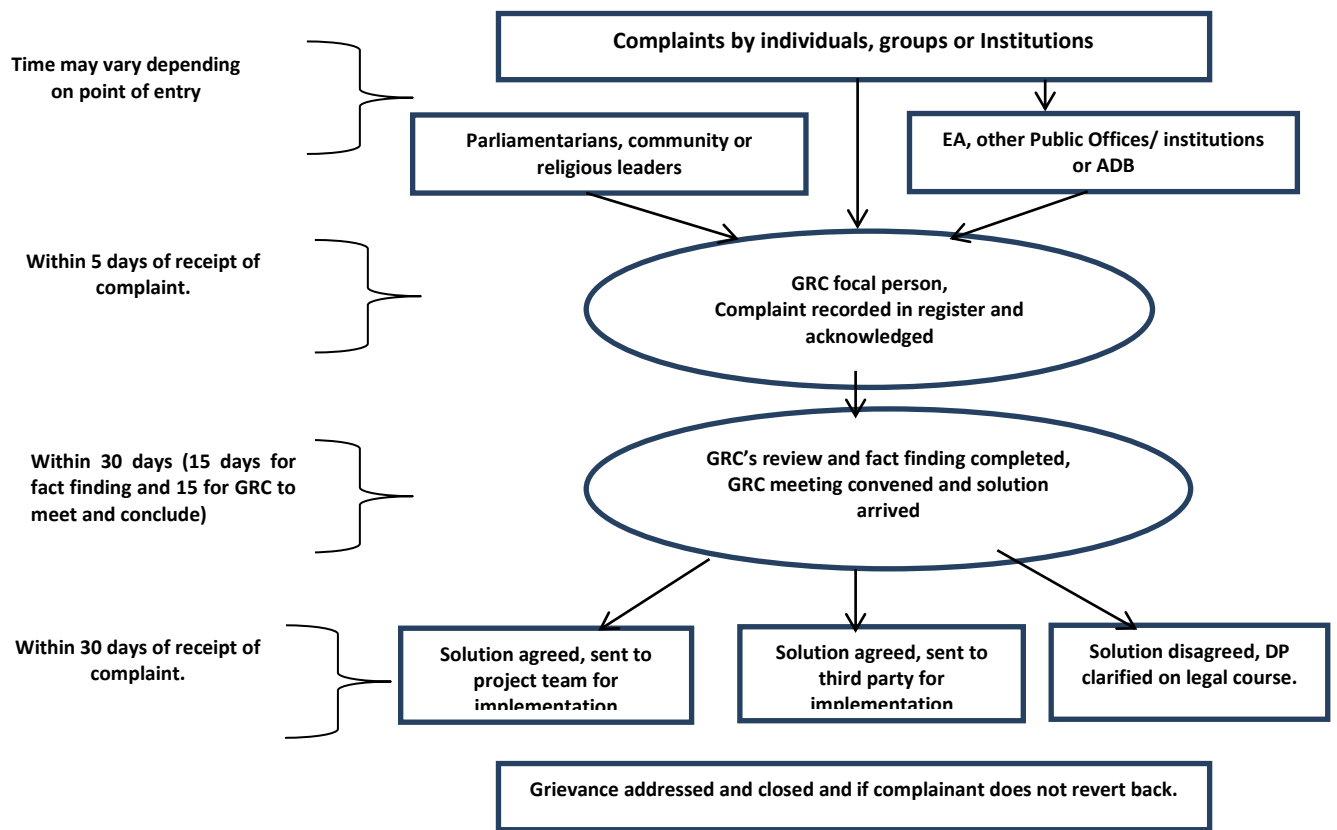
106. Any complaints unresolved at village level will be forwarded to the Grievance Redress Committee in the PIU by the social mobilizers or the complainant himself. The complaints received will be properly recorded and documented at PIU by a designated staff in the Complaint Register. The information recorded in the Register will include date of the complaint, particulars of the complainant, description of the grievance, actions/steps taken/to be taken to resolve the complaint at village level, the person responsible to take the action, follow up requirements and the target date for the implementation of the mitigation measure. The register will also record the actual measures taken to mitigate these concerns. The aggrieved DP will be kept informed about the actions on his complaint. He/she will be facilitated/ paid by the subproject to participate in the proceedings at different levels of grievance resolution process.

107. An overview of the structure and functioning of a typical GRM is presented in Table 6 and flow mechanism is shown in fig. 4 below.

Table 6: Steps in the Grievance Resolution Process

Each village will be assigned a social mobilizer to maintain regular contact with the DPCs and to be the first line of contact on issues related to LAR. The social mobilizers will facilitate formation of a resettlement committee in each village.
Any complaints in the village will be recorded and investigated by the social mobilizer, and if possible resolved in the village, with the assistance of the PIU, Design/Construction supervision consultants and contractor within 7 days.
Any complaint which cannot be resolved in the village will be forwarded by the social mobilizer directly by the complainant or village head to the Grievance committee at PIU level. The grievance cell at PIU will designate a staff member to receive complaints, register them in the complaints register and process them within the PIU in 5 days and. The PIU Grievance committee will get the issue investigated in 15 days and after hearing the complainant the GRC will communicate the decision within 30 days from the date when complaint was received and recorded by GRC at PIU. Any solution or decision must comply with the LARF.
Any complaint that cannot be resolved satisfactorily in the GRC PIU could be forwarded to the PMU and EALS by the GRC or by the complainant if he is not satisfied with the GRC decision. The PMU/EALS will record and review the complaint, investigate the issue and hear the complaint if required and communicate its decision in 30 days from the date complaint is received and recorded in the PMU/EALS grievance recording and resolution system. Nonetheless, any solution or decision must comply with the updated LARF.
About complaints pertaining to disagreement with land award DP, will be facilitated to challenge the award in appropriate court of law as per the process set out in Sections 18 to 22 of the LAA (1894). However, where law permits, the DPs can access to the courts of law without involving the GRM.

Figure 4: Grievance Resolution Flow Mechanism with Time Frame



VII. COMPENSATION, INCOME RESTORATION AND RELOCATION

C. Compensation for Lost Assets

108. DPs losing land, structures (residential or commercial), assets, income, crops, trees; are entitled for compensation and rehabilitation subsidies, including a relocation subsidy, and a business losses allowance. The compensation for acquired assets will be on replacement cost bases while business loss will be determined or paid based on tax declarations and/or lump sums, in case of non-availability of such documentation, in accordance with the minimum wage for unskilled worker announced by the Government of Pakistan for current fiscal year. The impacts under this LARF are defined as partial and full for purpose of compensation payment against acquired assets and providing resettlement and income restoration measures. The partial impacts are those where an asset/structure will not lose its current use and remains useful after rehabilitating the affected part. The full impacts are those where after severing of acquired assets or demolishing the affected part of a structure, the remaining asset or structure becomes redundant for its present use.

1. Compensation for Land

a Agricultural land

109. Titleholders (recorded land owners) or those having land rights recognizable under local law or custom will be compensated for acquired land either through replacement land parcel of similar type and size (if available) or through cash compensation at full replacement costs including fair market value, transaction costs, interest accrued and other applicable payments (refer SPS, SR 2, para 10) for acquired land parcel. For determining compensation on replacement cost, the efforts will be ensured for negotiated settlement of land cost and if it is unsuccessful, the process for compulsory acquisition of land will follow and the compensation package may include fair market value of land and other entitled compensation as outlined in Section 23¹⁰ of LAA 1894 with a 15% compulsory land acquisition¹¹ surcharge. . Nonetheless, emergency clauses for acquisition of land will not be invoked. All titled land owners/Displaced persons will be entitled for compensation so calculated to the extent of acquired land. While the DPs, with land based livelihood, facing 10% or more loss of their productive agricultural land will also be entitled for severe impact allowance equal to market value of the gross annual yield of lost land for one year.

110. Those informal land users without traditional/recognizable rights and encroachers losing land, will be entitled to land compensation but will be provided compensation for their assets other than land or improvements (if any) made to land. In case of arable land, they will be provided an income rehabilitation allowance in cash equal to the net market value of yearly harvest income based on relevant cropping pattern and cultivation record (additional to standard crop compensation), and compensation for any irrigation infrastructure and other improvements made to the land (but not for the land) at full replacement cost; and other appropriate rehabilitation to be defined in the LARPs based on project situation and DP consultation.

111. Leaseholders or tenants on government land who are registered as per land records/cadasters (if any) will be entitled to either renewal of the lease/tenancy agreement in other plots/parcels of similar type and size or cash refund equivalent to paid lease amount for remaining lease period or mutually

Section 23 sub section (1) of LAA require to determine compensation package including, fair market value, costs in consequence of severance, costs for loss of earning or profit the costs for lost fixed assets other than land etc.

¹¹ Additional Compensation entitled under section 28.

agreed period up to a maximum of two(02) years in addition to the standard crop compensation allowed as per entitlement for crop losses. In addition they will be entitled for compensation on replacement cost basis for improvements (if any) made to the acquired land.

112. Lease holders/Rental Tenants on privately owned arable land will receive a cash refund at the rate of the rental fee proportionate to the size of the affected plot and the duration of the remaining lease period but maximum up to three years and will also be entitled to crop compensation for lost crop and an additional crop. The sharecroppers on privately owned land will be entitled to crop compensation as per their respective share with the land owner based on their sharecropping contract and the compensation in cash will be equivalent to the market value of the gross yield of lost harvest and one (01) additional crop compensation. In addition they will be entitled for compensation on replacement cost basis for improvements (if any) made to the acquired land.

113. Agricultural laborers, with contracts to be interrupted, will be provided with compensation equal to their salary/daily wage or minimum wage rate.

b Residential, commercial, public and community land

114. For partial loss of a plot/percent of the total plot (taking into account functional viability of remaining plot), owners -defined as titleholders or legalizable users- will receive cash compensation at replacement cost as clarified in para 31 above according to the quantity and quality of the land lost, including all transaction costs. Lessees or rental tenants of residential land will receive a cash refund at the rate of the rental fee proportionate to the size of the affected plot and the duration of the remaining lease period. Non-titled land users/squatters or encroachers on affected land will not be entitled for compensation for partial loss of acquired/affected land but will be provided with compensation to the extent of improvements (if any) made to the land and rehabilitation/resettlement assistance to offset adverse impacts if any or provision of access to remaining land parcel on secured tenure basis.

115. For full loss of a plot/percent of the total owned plot (taking into account functional viability of remaining plot), owners may choose between either (i) land for land compensation through the provision of a fully titled and registered replacement plot of comparable value, quantity and quality as the lost plot at a relocation site for the displaced community or another location agreeable to the DP or (ii) cash compensation at replacement cost according to the quantity and quality of the land lost. In either case all transaction costs, such as applicable fees and taxes, will be borne by the EA. Lessees or rental tenants will receive a cash refund at the rate of the rental fee for the duration of the remaining lease period for the entire lost plot. Non-titled land users squatting or encroaching on affected land will not be entitled for land compensation, but will be provided with compensation to the extent of improvements (if any) made to the land, rehabilitation/resettlement assistance for self-relocation and to offset adverse impacts if any or provisions of access to land parcel of same size and type either in relocation site or on any other available place on secure tenure basis.

c Temporary Occupation of Land

116. Temporary occupation of land if required for a short term to maintain diversions for uninterrupted traffic flows during execution of civil works will be procured on temporary lease arrangement through negotiated settlement following the provision of LAA 1894. In case of temporary requisition of land, the owners, lessees and tenants will receive a rental fee commensurate with current local land rents for the period of occupation of the land. All DPs so affected will have guaranteed access to their land and structures located on their remaining land and their land will be restored to its original state. Besides, some temporary land may be required by the civil works contractor for

construction campsites, equipment and stockyards. In case of requisition by the contractor, the terms and conditions of such requisition will be agreed between the contractor and land owners and accordingly private lease agreement will be signed between the Parties. However, the NHA will ensure that the compensation provisions in such private lease agreements are fully consistent with the LARF provisions.

2. Structures (Residential/Commercial and Other)

117. For the partial loss of structure: The partial structure loss will be determined based on functional/economic viability of remaining structure or possibility for its restoration and to put it into the same use as was before the project. In case of partial loss of structure the owners, including non-titled land users/squatters, will receive cash compensation for the lost parts of a structure at replacement cost and for the repair of the remaining structure at the market rate for materials, labor, transport and other incidental costs, without deduction of depreciation for the age of the structure. They have the right to salvage all usable materials from the lost structures. Lessees and rental tenants receive a cash refund at the rate of the rental fee proportionate to the size of the lost part of the structure and the duration of the remaining lease period.

118. For the full loss of a Structures: In case of complete loss of structure or loss to the extent that the remaining structure becomes functionally/economically unviable for use and its restoration and putting into earlier use is not possible, the owners legal and legalizable, may choose either (i) the provision of a fully titled and registered replacement structure of comparable value, quantity and quality, including payment for all transaction costs (such as applicable fees and taxes), at a relocation site or another location agreeable to the DP, or (ii) cash compensation at replacement cost, including all transaction costs (such as applicable fees and taxes), without deduction of depreciation for age, for self-relocation. If the market value of a replacement structure is below that of the lost structure, the owner will be paid cash compensation for the difference in value without deduction of depreciation for age. If the market value of the replacement structure is above that of the lost structure, no further deductions will be made. In either case the owners have the right to salvage all usable materials from the lost structures. While the non-titled land users/squatters will be compensated either through cash compensation for structure on full replacement cost and rehabilitation/resettlement assistance for self-relocation to the place of their choice or will be provided with replacement structure on secured tenure basis in the resettlement site developed for the project. Lessees and rental tenants will receive a cash refund for the rental fee equivalent to the paid advances (if any) and the period for which rent is paid or the remaining lease period but maximum upto 12 months.

119. If minor structures, such as fences, sheds or latrines, need to be moved, their owners or the lessees and tenants, depending on the arrangements between owners and tenants, may either (i) receive cash compensation for self-relocation of the structure at the current market rate for the cost of labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age, or (ii) the structure may be relocated by the subproject.

120. For stalls and kiosks or other temporary commercial structures like thatch huts, whether titled or licensed or not, alternative sites comparable in business potential to the lost location will be provided and the vendors will receive cash compensation for self-relocation of their stalls at the current market rate for the cost of labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age.

3. Crops

121. All affected land owners/users will be entitled for one year crop compensation, i.e., two crops (one lost crop and other crop for ensuing season) to offset any adverse impacts to their income/livelihood due to accrued crop losses because of acquisition of land. The entitlement for crop losses will link to the cultivators including landowners (self-cultivators), leaseholders/sharecroppers and encroachers/squatters etc. Cultivators of affected crops will be paid cash compensation for the loss of a crop proportionate to the arable/cultivated area of lost plot on the bases of current market rate assessed on gross product value of the grown crops or as assessed and provided by the competent government agricultural department. The second crop (crop for ensuing cropping season) will be paid on net product value proportionate to the cultivated area for the first paid crop. In case of share cropping arrangement between the parties, the compensation so assessed will be apportioned between the parties as per share cropping arrangement (either legally stipulated or the traditionally or informally agreed) they had.

4. Trees

122. Cultivators of affected fruit trees will receive cash compensation at full replacement cost for lost fruit trees assessed at the current market rate of product value multiplied by a i) period required to grow a new tree to the age of production or ii) average years of crops forgone. The required number of years to grow a fruit plant to production age can be different for different tree species however, for compensation purpose 5 years period can be taken as standard and the compensation cost could be calculated by multiplying this standardized period with average production potential and current market rates of the product. In addition, the cost of purchase of seedlings and required inputs to replace these trees will be paid. For timber trees, cash compensation will be paid at the current market rate of the timber value of the species at current volume, in addition to the cost of purchase of seedlings and required inputs to replace the trees. However, the rates and valuation methods will be determined using the accepted methodology in use at the Departments of Agriculture and Forestry.

D. Resettlement & Relocation

1. Land for land compensation

123. Land for land compensation has significant advantages in that it reduces the chance of displaced people spending their compensation on items that will not provide them with an alternative economic livelihood. Therefore, preference will be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement. Whenever replacement land is offered, displaced persons will be provided with land considering productive potential, locational advantages, and other factors to ensure the replacement land is at least equivalent to the advantages of the land taken. If land is not the preferred option, or sufficient government land is not available and acquisition of suitable resettlement land is not possible, non-land-based options built around opportunities for employment or self-employment will be considered in addition to cash compensation for land and other assets lost. The lack of land will be demonstrated and documented to the satisfaction of ADB.

2. Relocation assistance

124. Where applicable, the DPs will be provided logistical support for the identification and purchase or rental of replacement plots and/or structures, or the construction of new structures, as the case may

be, as well as with all related administrative tasks. The physically displaced persons will be relocated at a relocation site or will self-relocate at individual sites and structures of their own choice.

3. Security of tenure

125. Arrangements for secure tenure to the replacement land and structures will be made and their provision to each DP, according to the level of eligibility of each DP, will be ensured.

4. Transport allowance

126. All DPs to be relocated due to loss of land and/or structures including residences, business premises or agricultural land, are entitled to receive a cash allowance to cover the cost of transport of people and their movable property (furniture, household items, personal effects, machinery, tools etc.) and of setting up at the new premises at the current market rate for labor, vehicle hire, fuel and incidental costs. A lump sum amount of compensation (covering all items discussed) will be provided to the DPs.

5. Transition allowances

127. The displaced households facing interruption in livelihood earning during period required to re-establish or relocate their lost residential/commercial structure will be entitled for transitional support up to a period of 3 months. Such transitional support/allowance will be based on officially designated minimum wage/OPL rates and shall be paid to household head. This transitional support will be in addition to the compensation entitlement for business or income losses for any of the household member or DP.

128. Besides rental assistance (residential and commercial) will also be provided as transitional support to facilitate the DPs for temporary relocation of their assets and continue their activities while the replacement assets are provided or the partially damaged structures are restored to their original use. This rental support will be computed in consultation with DPs on the basis of prevailing rental value of the affected assets or market rental values of available asset in the relocation site and will be paid as such for a period as agreed. The period required to re-establish partially affected asset or construction of similar new will be determined during preparation of respective subproject LARPs and the rental assistance will be elaborated based on consultations with the DPs and other stakeholders.

E. Income Restoration Measures

129. In addition to the compensation entitlement for acquired assets and corresponding relocation and resettlement costs, the DPs facing significant loss of productive assets/livelihood source will be entitled to the income restoration measures as explained below:

6. Loss of agriculture based livelihood

130. In case partial but significant¹² loss of arable land without provision of alternate land but with remaining land functionally viable, in addition to cash compensation for the loss of land as indicated above, the displaced persons (owner, lessee, sharecrop tenant or non-titled user) of land will be provided with financial support for investing in productivity enhancing inputs like land levelling and erosion control, irrigation infrastructure, farming tools, fertilizers and seeds etc. as feasible and applicable. Meanwhile, additional financial support in the form of grants and micro-credit will be

¹² More than 10 % of productive arable land.

available, if the compensation for partial land loss is insufficient to allow for adequate investments to maintain the DP's livelihood.

131. For the full loss of arable land without provision of alternative land, in addition to cash compensation for the loss of land as indicated above, the displaced persons (owner, lessee, sharecrop tenant or non-titled user) of land will be provided with project based job-placement or training on alternate employment opportunities as well as with organizational and logistical support to establish the DP in an alternative income generation activity. If possible, Project EA will coordinate and/or cooperate with governmental and non-governmental income generation and micro-enterprise development initiatives.

7. Uninterrupted access to resources and means of livelihood

132. The subproject and NHA will ensure that access of the displaced persons to their aboding places and livelihood sources like agricultural fields, business premises remain open and unrestricted during execution of the project works. To achieve the objective, either obstruction to any known access route will be avoided or alternate access will be provided in technical design as integral to subproject facilities. The relevant subproject LARPs will elaborate on specific anticipated impacts and outline measures to ensure access.

8. Businesses Loss

133. For the loss of business income (temporary or permanent) due to LAR or construction activities by the project, the owner of a business will receive cash compensation equal to the lost income during the period of business interruption up to 3 months if loss is temporary and reversible and up to 6 months if the loss is permanent, based on business turn over or tax records produced or in case of non-production of record, comparable rates from registered businesses of the same type in same area with tax records available. However, if tax based lost incomes are unknown, then official designated minim wage rate or official poverty line (inflation adjusted), whichever is high, will be used as base rate to compute compensation for affected households. For permanent loss of business in addition to compensation, opportunities for project based job or training to alternative livelihood sources with organizational and logistical support to establish the DP in an alternative income generation activity will be worked into and elaborated in the respective LARPs. For this purpose, relevant governmental and non-governmental organization will be coordinated and their support will be sought.

9. Employment

134. The loss of employment due to LAR or construction activities among all laid-off employees of affected businesses will be compensated through cash compensation equal to the lost wages during the period of employment interruption but maximum upto three (03) months, based on registered wages or tax records if available or based on officially designated minimum wage rate or poverty line (inflation adjusted), if tax based lost incomes are unknown. The DPs facing employment loss due to lost assets like agricultural land and business enterprises will be documented and the income restoration provisions will be elaborated in the respective LARPs.

F. Public services and facilities

135. Public services and facilities interrupted and/or displaced due to LAR will be fully restored and re-established at their original location or a relocation site. All compensation, relocation and rehabilitation provisions of this LARF are applicable to public services and facilities. These include but

are not limited to schools, health centers, community centers, local government administration, water supply or graveyards.

G. Special provisions for vulnerable DPs

136. All vulnerable DPs, in addition to applicable compensation for lost assets, including relocation and income restoration as explained in above sections will be entitled to livelihood restoration/improvement support in the form of cash and preference to project based employment or training with additional financial support and micro-credit facilities as well as organizational and logistical support to establish the DP in an alternative income generation activity. To facilitate the process of training and establishment of a new income generation activity a subsistence allowance equal to 3 months income computed based on officially designated minimum wage will be paid in addition to any income loss compensation and transition allowance, as applicable. Apart from support of the government departments, other resources like support from NGOs will be sought to assist DPs for additional financial support and micro-credit facility and accessing the organizational and logistic support to establish alternative means of livelihood. Moreover provision related to preference for project related employment will be reflected in the civil works contracts as well as the agreements between the project executing agency and the ADB.

137. Compensation, relocation and resettlement rehabilitation assistance is summarized in the Table 7.

Table 7: Eligibility and Compensation Entitlement Matrix

Type of Loss	Specification	Eligibility	Entitlements
1. LAND			
Permanent impact on arable land	All land losses independently from impact severity	Owner (titleholder, or holder of traditional rights)	<ul style="list-style-type: none"> Land for land compensation through provision of plots of equal value and productivity as that of lost, or Cash compensation at full replacement cost (RC¹³) either through negotiated settlement¹⁴ between the NHA and the land owners or assessed based on provisions of Section 23 of LAA¹⁵ including fair market value plus damages/costs applicable free from taxes and levies plus 15% compulsory land acquisition surcharge (CLAS) from publication date of section-4 to the date of compensation.
		Leaseholder titled/untitled	<ul style="list-style-type: none"> Compensation commensurate to lease type and as appropriate for recovery of paid advance or paid lease amount for the remaining lease period but up to two years maximum. Crop compensation for standing crop with an additional crop (based on relevant cropping

¹³ Refer to IR safeguards as in SR2 para 10 of SPS 2009

¹⁴ Negotiated Settlement will be used as first measure to determine the RC and if it is unsuccessful or considered inexpedient then the assessment under LAA provisions will follow.

¹⁵ Compensation under provisions of Section 23 of LAA include fair market value and applicable costs for damages (i.e. costs for severance of land and injurious affect to other property (immoveable or movable) or earning, diminution of profits, and costs of moving residence or place of business, etc). The 15% surcharge is added on top of the calculated compensation amount.

Type of Loss	Specification	Eligibility	Entitlements
			pattern/cultivation record) and other appropriate rehabilitation as transitional support under other entitlements.
		Sharecropper/tenant (titled/untitled)	<ul style="list-style-type: none"> Cash compensation equal to gross market value of crop compensation (see crop compensation below) to be shared with the land owner based on the sharecropping arrangement.
		Agriculture laborers	<ul style="list-style-type: none"> The agricultural laborers facing employment/wage loss because of land acquisition will be entitled to income rehabilitation allowance in cash equal to net value of one crop season based on relevant cropping pattern/cultivation record or 3 months officially designated minimum wage.
		Encroacher.	<ul style="list-style-type: none"> No compensation for land loss Income rehabilitation allowance in cash equal to net value of annual crop production and other appropriate rehabilitation to be defined in the LARPs based on project specific situation and DP consultation.
Residential/commercial land	All land losses independently from impact severity	Titleholder, or holder of traditional rights	<ul style="list-style-type: none"> Cash compensation at full replacement cost (RC) including fair market value plus 15% compulsory acquisition surcharge all transaction costs, applicable fees and taxes and any other payment applicable
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund/payment at the rate of lease or house rent for remaining lease period or house rent
		Renter/leaseholder	<ul style="list-style-type: none"> Rent allowance in cash equivalent to 3-6 months' rent to be decided in consultation meetings with DPs.
		Non-titled user without traditional rights (squatters)	<ul style="list-style-type: none"> No compensation for land loss Self-relocation allowance in cash equivalent to 3-6 months livelihood based on minimum wage rate, or as assessed based on income analysis. Where required, additional support required ensuring improved standard of living to be determined through the social impact assessment.
Temporary land occupation	Land temporarily required during civil works	Owner, lessee, tenant	<ul style="list-style-type: none"> Rental fee payment for period of occupation of land, as mutually agreed by the parties; Restoration of land to original state; and Guaranteed access to structures (if any) and remaining land with restored infrastructure and water supplies.

Type of Loss	Specification	Eligibility	Entitlements
		Non-titled user	<ul style="list-style-type: none"> Guaranteed access to land and structures located on remaining land with restored access to water supplies for irrigation (if applicable) Restoration of land to original state; and Income rehabilitation support, i.e., compensation for lost crops/trees as per entitlements provided (refer crop and tree section below).
2. STRUCTURES			
Residential, agricultural, commercial, public, community	Partial Loss of structure	Owner (including non-titled land user)	<ul style="list-style-type: none"> Cash compensation for affected structure (taking into account functioning viability of remaining portion of partially affected structure) for its restoration to original use) at full replacement cost computed at market rate for materials, labor, transport and other incidental costs, without deduction of depreciation. Right to salvage materials from lost structure
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund at rate of rental fee proportionate to size of lost part of structure and duration of remaining lease period already paid. Any improvements made to lost structure by a tenant will be taken into account and will be compensated at full replacement cost payable as per agreed apportionment through consultation meetings.
	Full loss of structure and relocation	Owner (including non-titled land user)	<ul style="list-style-type: none"> Cash compensation at full replacement cost, including all transaction costs, such as applicable fees and taxes, without deduction of depreciation for age, for self-relocation. The DP has the right to salvage the affected structure.
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund at rate of rental fee proportionate to duration of remaining lease period; Any improvements made to lost structure by lessee/ tenant will be taken into account and will be compensated at full replacement cost payable as per agreed apportionment through consultation meetings.
Moving of minor structures (fences, sheds, latrines etc.)	Owner, lessee, tenant	<p>The DP may choose between the following alternatives:</p> <ul style="list-style-type: none"> Cash compensation for self-relocation of structure at market rate (labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age) Or Relocation of the structure by the Project. 	

Type of Loss	Specification	Eligibility	Entitlements
	Stalls, kiosks	Vendors (including titled and non-titled land users)	<ul style="list-style-type: none"> Assist in allocation of alternative location comparable to lost location, and Cash compensation for self-relocation of stall/kiosk at market rate (labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age)
3. Crops	Affected crops	Cultivator	<ul style="list-style-type: none"> Cash compensation (one year crop) at current market rate proportionate to size of lost plot, based on crop type and highest average yield over past 3 years or as assessed through the respective Agricultural Departments.
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share
4. Trees	Affected crops	Land owner/ Cultivator	<ul style="list-style-type: none"> Cash compensation for fruit trees at current market rate of crop type and average yield (i) multiplied, for immature non-bearing trees, by the years required to grow tree to productivity or (ii) multiplied, for mature crop bearing trees, by the average years of crops forgone; plus cost of purchase of seedlings and required inputs to replace trees. Cash compensation for timber trees at current market rate of timber value of species at current volume, plus cost of purchase of seedlings and required inputs to replace trees.
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share
5. RESETTLEMENT & RELOCATION			
Relocation Assistance	All types of structures affected	All DPs titled/untitled requiring to relocate as a result of losing land and structures	<ul style="list-style-type: none"> The project will provide logistic support to all eligible DPs in relocation of affected structures whether project based relocation or self-relocation as opted by the DPs. If project based relocation, DPs will be provided with access to civic amenities including electricity, water supply and sewage as well as school and health center (if applicable).
Security of tenure	Replacement land and structures	All DPs and tenants needing to relocate to project relocation sites.	<ul style="list-style-type: none"> If DPs are required to relocate to project relocation sites, they will be provided with secure tenure to the replacement land and structures.
Transport allowance	All types of structures requiring relocation	All DPs and tenants required to relocate as a result of losing	<ul style="list-style-type: none"> For residential structure a lump sum amount of Rs. 15,000/ or higher depending upon the situation on ground.

Type of Loss	Specification	Eligibility	Entitlements
		land and structures	<ul style="list-style-type: none"> For commercial structure or agricultural farm structure a lump sum amount of Rs. 10,000/ or higher depending upon the situation on ground.
House rent	All types of structures requiring relocation	All DPs and tenants required to relocate as a result of losing land and structures	<ul style="list-style-type: none"> Rental assistance as a lump sum amount computed on the basis of prevailing rental rate for a period as agreed between the DP and project team, to assist the DPs in renting house or commercial structure.
Transition allowance	All types of structures requiring relocation	All DPs and tenants required to relocate	<ul style="list-style-type: none"> On a case to case basis, the residential structure owner DPs will be provided with transitional allowance equal to 3 months of recorded income or equal to officially designated minimum wage rate in addition to other applicable compensation entitlements.
Severe Impact	Loss of 10% or more of arable productive land	All land owner/ landuser DPs with land-based livelihood.	<ul style="list-style-type: none"> Severe impact allowance equal to market value of the gross annual yield of lost land for one year in addition to entitled compensation and other income restoration measures.
	Complete loss of commercial structure	All structure owners/ occupier DPs facing business loss.	<ul style="list-style-type: none"> severe impact allowance equal to lost income for three months in addition to entitled compensation for lost asset and business loss.
6. INCOME RESTORATION			
Impacted land-based livelihoods	All land losses	All DPs with land-based livelihoods affected	<ul style="list-style-type: none"> Land for land compensation through provision of plots of equal value and productivity as that of lost and if land based compensation is not possible non-land-based options like built around opportunities for employment or self-employment will be provided in addition to cash compensation at full replacement costs for land and other assets lost. The following entitlements will apply if replacement land is not available or is not the preferred option of the DPs: <ul style="list-style-type: none"> Partial loss of arable land: DPs will be provided support for investing in productivity enhancing inputs to the extent of the affected land parcel, such as land leveling, erosion control, irrigation infrastructure and farming tools, fertilizers and seeds etc., as feasible and applicable. Full Loss of arable land: Project based employment for the willing DPs will be worked out and included in bidding documents or training with additional financial support to invest as well as organizational/logistical support for establishing alternate means of livelihood.
Restricted access to	Avoidance of obstruction by	All DPs	<ul style="list-style-type: none"> Un-interrupted access to agricultural fields, business premises and residences of persons in

Type of Loss	Specification	Eligibility	Entitlements
means of livelihood	subproject facilities		the project area will be ensured in consultation with the DPs.
Businesses	Temporary business loss due to LAR or construction activities by Project	Owner business (registered, informal) of	<ul style="list-style-type: none"> Cash compensation equal to lost income during period of business interruption up to 3 months based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax records, or computed based on officially designated minimum wage rate.
	Permanent business loss due to LAR without possibility of establishing alternative business	Owner business (registered, informal) of	<ul style="list-style-type: none"> Cash compensation equal to lost income for 6 months based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax records, or computed based on officially designated minimum wage rate And Provision of project based employment to one of the grown household member or re-training with opportunity for additional financial grants and micro-credit and organizational/logistical support to establish DP in alternative income generation activity
Employment	Employment loss (temporary or permanent) due to LAR.	All laid-off employees of affected businesses	<ul style="list-style-type: none"> Cash compensation equal to lost wages at comparable rates as of employment record for a period of 3 months (if temporary) and for 6 months (if permanent) or in absence of record computed based on official minimum wage rate. Or Provision of project based employment or re-training, with additional financial as well as organizational/logistical support to establish DP in alternative income generation activity.
7. PUBLIC SERVICES AND FACILITIES			
Loss of public services and facilities	Schools, health centers, administrative services, infrastructure services, graveyards etc.	Service provider	<ul style="list-style-type: none"> Full restoration at original site or re-establishment at relocation site of lost public services and facilities, including replacement of related land and relocation of structures according to provisions under sections 1 and 2 of this entitlement matrix
8. SPECIAL PROVISIONS			
Vulnerable DPs	Livelihood improvement	All vulnerable DPs including those below the poverty line, the landless and those without legal title to land,	<ul style="list-style-type: none"> In addition to applicable compensation entitlements for lost assets, relocation and livelihood restoration under section, 1 to 7 the vulnerable DPs will be provided with: Subsistence allowance for 3 months computed on the basis of officially designated minimum

Type of Loss	Specification	Eligibility	Entitlements
		the elderly, women and children, and indigenous peoples.	wage rate and other appropriate rehabilitation measures to be defined in the LARPs based on income analysis and consultations with DPs. <ul style="list-style-type: none"><li data-bbox="794 387 1326 450">• Preference for provision of project based employment.<li data-bbox="794 461 1428 580">• Assistance to access legal and affordable access to adequate housing to improve their living standard to at least national minimum standard, as feasible and applicable.

VIII. LAND ACQUISITION AND RESETTLEMENT FINANCING AND IMPLEMENTATION.

A. LAR Cost estimation and Budgeting

138. The allocation and provision of the financial resource is responsibility of the EA for affective management of project LAR requirements including acquisition of ROW land free from encumbrances, establishment of relocation/resettlement sites, payment of compensation for acquired assets, entitled relocation and resettlement costs and implementation of income restoration measures etc. Hence, the land acquisition, compensation, assistance, relocation and rehabilitation of income and livelihood will be considered as an integral component of project costs and will be accordingly estimated and included in the project PC-1 to ensure adequate funds are made available. All land acquisition funds will be provided by the NHA from counterpart financing share of the government and the loan proceeds will not be used for land acquisition purposes. However, for establishment of relocation sites and implementation of rehabilitation and income restoration measures the NHA can request ADB to consider financing rehabilitation and income restoration component of the LARPs.

139. The LAR costs will be precisely assessed and reflected in the itemized LARP budget including compensation costs for acquired land and other assets, applicable relocation, resettlement and income restoration costs as well as administrative costs including costs for LARP implementation institutional arrangement, monitoring and evaluation and the contingencies. All assessed LAR costs should be fully incorporated in the project PC-I to be approved by the government to ensure the LAR funding could be fully secured for each project/subproject

B. Flow of Funds for LARP implementation

140. The Government of Pakistan will finance the total cost of LAR under CAREC_CDIP from counterpart funds. The Ministry of Finance will allocate sufficient funds to NHA for LAR management and release these based on finalized PC-I including LAR costs for the subprojects to be executed under the MFF. The NHA will transfer the funds for all land acquisition costs of a subproject to the district treasury department for acquisition of land and assets as per estimated demands by LAC and PIU account for delivery of R&R and income restoration costs and other entitled allowances not covered under applicable LAA procedures in Pakistan. Timely funding and deposit of LAR costs for acquired asset and resettlement and rehabilitation costs as budgeted in the subproject LARPs will assist PIU in timely completion of LAR activities, taking possession of the acquired assets and ROW as well as handing over the ROWs land, free from encumbrances, for commencement of project civil works.

C. Compensation Disbursement

141. The Compensation for land and land based assets covered under land award will be disbursed by the LAC through vouchers debit able to the district treasury , while the entitled R&R costs and allowances will be paid by issuing crossed cheque in the name of the entitled DP by the PD PIU which will be charged to the project account. The disbursement process of compensation of acquired assets (land and land based assets) will start after announcement of land awards under LAA provisions and the payment process for other entitlement covered under LARF and LARP could be paid as and when the final implementation ready LARP prepared based on detailed design is reviewed and cleared by ADB. Nonetheless, the disbursement will take place, after due notification of time and place to the DPs and the DPs will be assisted and mobilized to get the requisite support documents for processing

of their claims and delivery of compensation accordingly. For transparency purposes the efforts will be ensured to pay the compensation through bank accounts by delivering cross cheques or compensation vouchers, which may be cashed or deposited at district treasury or any designated local bank. However, if the subproject impact area proves difficult and without banking facilities or the entitled compensation amounts are meagre and DPs decline to open bank accounts, the provision of payment through cash or any other means accepted under law can be considered.

142. ADB Safeguard Policy Statement (SPS 2009) and provisions under this LARF requires to ensure that no physical displacement or economic displacement will occur until (i) compensation for acquired assets at full replacement cost has been paid and other entitlements listed in the resettlement plan have been provided to each displaced person (DP) for project components or sections that are ready to be constructed; and (ii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help DPs improve, or at least restore, their incomes and livelihoods. Pakistan's Land Acquisition Act (1894) allows the government to take possession of the acquired land once land award has been made as per LAA Section 11, and payment has been made or deposited to the court as per LAA Section 31. Accordingly, the Collector is required to pay the full amount to the DP, unless (a) the DP refuses to receive the amount, (b) there is no competent person to receive the compensation, or (c) if there is a dispute as to the title to receive the compensation.

143. Under ADB SPS, compensation for both land and non-land assets is deemed to have been paid when the amount in cash or cheque has been provided to DPs or deposited into their bank account, or is secured in an escrow account for DPs not showing up to collect compensation. While in case of LAA, if the DPs or their representatives did not come forward to collect their compensation, the amount could be deposited in the Revenue Department payable to the DPs, after exerting due efforts to contact and encourage them to appear and notifying the DPs in which treasury the deposit has been made. However, in both cases depositing the compensation in an escrow account, or in district treasury in lieu of providing cash or cheque to the DP is justified only when sufficient good-faith efforts and all legal requirements for contacting and notifying the DPs have been made

144. Nevertheless, both the LAA (1894) and ADB SPS (2009) require that DPs are compensated before displacement, but allow a mechanism for dealing with cases having legal and administrative impediments restricting disbursing compensation payments provided that sufficient good-faith efforts are demonstrated in (a) contacting, notifying and assisting DPs, and (b) delivering compensation payments. So in cases where compensation payment is restricted due to legal and administrative impediments faced by the DPs, the EA will follow the ADB's draft Guidance Note on Compensation payment and handling of cases with Legal and Administrative impediments (Annex-3) to demonstrate good faith efforts to outreach and pay compensation to those DPs having legal and administrative impediments.

D. LARP Implementation Schedule and Commencement of Works

145. The LARP preparation and implementation schedule will vary from subproject to subproject based on readiness level of subproject design and LAR requirements. In general, the project implementation will consist of the three major phases, namely project preparation, land acquisition and final/updated LARP preparation and implementation of LARPs, i.e., full payment of compensation for acquired assets and entitled resettlement and rehabilitation cost to DPs with income restoration measure in place. In line with the principles laid down in this LARF, NHA will prepare a detailed implementation schedule as integral part of each LARP indicating the sequence and time frame of

activities for acquisition of ROW land, preparation of draft and implementation ready LARPs for each subproject under different tranches and LARP implementation timelines synchronized with the construction schedule for each subproject.

146. Efforts will be ensured to synchronize and streamline the land acquisition process under LAA provisions and impact assessment, census and socio-economic assessment as well as preparation of implementation ready LARPs for each subproject for effective LAR management under provisions of this LARF. While LARP implementation timelines will be synchronized with the construction schedule to ensure LARP implementation is completed before commencing of Civil Works and timely execution of the subprojects under the MFF. Nonetheless, the commencement of civil works for any subproject or any of its section with LAR impacts will be conditional upon full implementation of the NHA endorsed and ADB cleared LARPs which will be spelled out in the project/ loan covenants to ensure SPS requirements are fully complied with.

IX. MONITORING, EVALUATION AND REPORTING

A. Overview

147. Successful implementation of a resettlement plan depends on good resettlement management, close monitoring, and effective supervision. This enables the executing and/or implementing agency to make timely adjustments in implementation arrangements and take appropriate corrective measures during project implementation. It is therefore important that the adequate resources (finances and qualified human resources) are made available and monitoring of LARP is integrated into the project's planning and management processes.

148. The major objectives of monitoring and evaluation are to: (i) ascertain whether activities are progressing as per schedule and the specified timelines are being met; (ii) assess if compensation, rehabilitation measures are sufficient; (iii) identify problems or potential issues; (iv) identify methods and corrective actions to rapidly mitigate any problems and (v) ensure that LARP objectives are met with and the standards of living of DPs are restored or improved; (vi) collect gender disaggregated information to monitor the day-to-day resettlement activities of the project through the following (a) Review of project information for all DPs; (b) Consultation and informal interviews with DPs; (c) Key informant interviews; and, (d) Community public meetings.

149. Monitoring will involve (i) compliance monitoring to ensure that implementation is on schedule and problems are dealt with on a timely basis; (ii) The social impacts monitoring of the project and whether DPs are able to restore and preferably improve their pre-project living standards, incomes, and productive capacity utilizing baseline information established through the socio-economic survey undertaken during project sub-preparation; and (iii) overall monitoring to assess status of DPs.

150. The LAR tasks will be monitored internally and externally. Regular monitoring of LARP implementation activities will be carried out internally by PMU through EALS and PIU through LARU. The PIU and PMU will provide ADB with an effective basis for assessing resettlement progress and identifying potential difficulties and problems related to scope, the subproject's risks and impacts.

B. Internal Monitoring

151. LARP implementation and safeguards management activities for each subproject in a tranche project will be subject to internal monitoring and evaluation. Internal monitoring will include day to day tracking progress about LAR planning and implementation activities including compensation payment progress, consultation and community feedback campaigns launched, resettlement, rehabilitation and income restoration measures implemented, community concerns and grievances recorded and resolved and corrective actions implemented etc. Close monitoring of LARP implementation progress will assist to identify and resolve the impediments and ensure timely delivery of compensation and resolution of matter of concerns for DPs and other stakeholders. The scope of monitoring will include: (i) compliance with the agreed policies and procedures for land acquisition; (ii) prompt approval, allocation and disbursement of compensation payments to DPs, including if necessary, supplemental compensation for additional and/or unforeseen losses; and, (iii) remedial actions, as required.

152. The PMU and PIU will be responsible for internal monitoring and share LARP implementation progress and periodic monitoring reports with the EA and the ADB. The census of DPs and inventory of losses will constitute a base line for monitoring of LARPs progress and at PIU level, the LARU will manage and maintain updated LAR databases including quantified data on impacted assets with type, census details of the DPs and compensation entitlements with payment progress against the

entitlements and payable costs to each DP, etc., Potential monitoring indicators from which specific indicators can be developed and refined according to the census and IOL for each tranche project/subproject are set out in Table 8 below.

Table 8: Potential indicators for internal monitoring

Monitoring Aspects	Potential Indicators
Institutional set-up and resource allocation.	<ul style="list-style-type: none"> • LARP implementation and monitoring institutional set-up in place. • Budgeted LARP costs released and placed at disposal LAR implementation entities. • Grievance redress mechanism established and explained to the DPs and affected communities. • Coordination initiative implemented and displaced persons committees notified for continued consultations and participation of DPs in LARP implementation and monitoring.
Delivery of Entitlements	<ul style="list-style-type: none"> • Compensation entitlements disbursed, compared with number and category of losses set out in the entitlement matrix. • Relocation and rehabilitation costs and income restoration support provided as per entitlements and schedule • Social infrastructure and services restored as and where required. • Entitlements against lost business including transitional support to re-establish enterprises delivered. • Income and livelihood restoration activities being implemented as set out in the income restoration plan. ,
Restoration of living standard and income	<ul style="list-style-type: none"> • Affected residential structures reconstructed/restored at relocation sites outside ROW limits. • Impacted business structures (shops/stalls) constructed/relocated outside construction limits and business/income activity restored. • Number and percentage of displaced persons covered under livelihood restoration and rehabilitation programs (women, men, and vulnerable groups). • Extent of participation in rehabilitation programs with degree of satisfaction about support received for income restoration. • Number of displaced persons who have restored their income and livelihood patterns (women, men, and vulnerable groups). • No of DPs (especially vulnerable) provided opportunities in project related employment. • Percentage of displaced persons who improved their income and living standard (women, men, and vulnerable groups)
Consultation and Grievances	<ul style="list-style-type: none"> • Consultations organized as scheduled including meetings, groups, and community activities. • LARP disclosure and information dissemination activities implemented and knowledge of entitlements by the displaced persons • Community awareness about grievance redresses mechanism and its use. • Progress on grievances recorded and resolved including information dissemination to AFs on the resolution of the grievances. • Information on the implementation of the social preparation phase and implementation of special measures for vulnerable groups including Indigenous Peoples (if any).

Monitoring Aspects	Potential Indicators
Communications and Participation	<ul style="list-style-type: none"> • Number of meetings held with DPs (male and female) to explain LARP provisions, grievance redress mechanism and compensation disbursement mechanism. • Assessment about Level of information communicated—adequate or inadequate. • Number of DPs (male female) participated in the meetings. • Number of meetings and consultations held with vulnerable and indigenous people (if any) with number of participants and level of information communicated
Benefit Monitoring	<p>Compared to pre-project situation:</p> <ul style="list-style-type: none"> • Changes noticed in patterns of occupation and resource use. • Changes observed in cost of living, income and expenditure patterns. • Changes access level and frequency with respect to social and cultural parameters. • Changes observed for vulnerable groups and IP.

C. External Monitoring

153. The extent of monitoring activities, including their scope and periodicity, will be commensurate with the project's risks and impacts. In case of subproject with significant IR impacts, NHA through PMU will engage the services of an independent agency or consultant, not associated with project implementation, to undertake external monitoring and evaluation of the LARP implementation particularly for category A projects.

154. An Independent External Monitoring Agency or an individual with a team (EMA) will carry out external monitoring of LARP and report monitoring results to NHA and ADB through semi-annual monitoring reports or with a frequency as agreed in Facility Administration Manual (FAM) or Project Administration Manual (PAM) prepared for MFF and each tranche projects under the MFF. The external monitor will monitor and verify LARP implementation progress and assess the achievement of LARP objectives and compliance with ADB's safeguards requirements through review of LARP implementation progress reports, periodic internal monitoring reports and through, consultations with the DPs and other stakeholders and impact assessment based on filed surveys. The key tasks of the external monitor will include :

- i. Review and verify internal monitoring reports prepared by PIU LARUs;
- ii. Validate the LARP implementation progress reported in IMRs and assess the achieved level of LARP implementation progress, issues impeding LARP implementation and actions required to improve the safeguards management;
- iii. Review and assessment of compensation, relocation, rehabilitation and income restoration measures provided in the LARPs and establish bench mark indicators for assessment and evaluation of level to which the LARP objectives are accomplished.
- iv. Review baseline information on socio-economic assessment, census and inventory of losses of pre-displaced persons and establish bench mark indicators for impact assessment through formal and informal surveys with the affected persons;
- v. Consult DPs, officials, community leaders and assess level of information dissemination activities implemented, awareness and access level of DPs and communities to project based grievance redress and complaints handling systems;
- vi. Assess resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning;

- vii. Suggest actions for addressing the issues if any and corrective measures to be implemented by the PMU and EA to ensure the safeguards management is fully consistent with LARF provisions and ADB safeguards requirements as outlined in the SPS 2009.

155. Table 9 below presents a set of suggested indicators for verification of the monitoring information of the NHA by qualified and experienced external monitor.

Table 9: Potential Indicators for External Monitor

Monitoring Indicator	Basis for Indicator
Basic information on displaced persons' households (Gender disaggregated data essential for all aspects)	<ul style="list-style-type: none"> • Project location including description on project intervention and IR impacts. • Composition and structure, ages, educational, and skill levels with gender of household Head • Vulnerable households and indigenous groups (if any) • Land and other resource-owning and resource-using patterns • Occupations and employment patterns and income sources and levels • Participation in neighborhood or community groups and access to cultural sites and events
Compensation payment and Restoration of living standards	<ul style="list-style-type: none"> • Have the compensation for acquired assets including land, structures and other assets delivered? • Was sufficient replacement land available and compensation payments sufficient to replace lost assets? • Were house compensation payments made free of depreciation, fees, or transfer costs to the displaced persons? • Have perceptions of community been restored? • Have displaced persons achieved replacement of affected assets particularly residential, commercial and productive assets and key social and cultural elements?
Restoration of livelihoods (Disaggregate data for displaced persons moving to group resettlement sites, self-relocating displaced persons, displaced persons with enterprises affected.)	<ul style="list-style-type: none"> • Was the compensation for affected enterprise sufficient for re-establishing enterprises and production? • Have affected enterprises received sufficient assistance to reestablish themselves? • Have vulnerable groups been provided income-earning opportunities? • Are these opportunities effective and sustainable? • Do jobs provided restore pre-project income levels and living standards?
Information and satisfaction levels of displaced persons'.	<ul style="list-style-type: none"> • How much do the displaced persons know about resettlement procedures and entitlements? • Do the displaced persons know their entitlements and aware on whether these have been met? • What is the perception of displaced persons about the extent and level to which their living standards and livelihoods have been restored? • How much do the displaced persons know about grievance procedures and conflict resolution procedures?
Effectiveness of resettlement planning	<ul style="list-style-type: none"> • Were the displaced persons and their assets correctly enumerated?

Monitoring Indicator	Basis for Indicator
	<ul style="list-style-type: none"> • Was the time frame and budget sufficient to meet objectives, were there institutional constraints? • Were entitlements based on replacement costs and adequate for rehabilitation and restoration of the DPs? • Were vulnerable groups identified and assisted adequately? • How did resettlement implementers deal with unforeseen problems?

156. Based on the external monitor's report, if significant issues are identified, a corrective action plan (CAP) to take corrective measures will be prepared, reviewed and approved by ADB and disclosed to affected persons. The CAP implementation progress will also be reviewed and monitored by the EMA and will be made part of the subsequent monitoring reports. Internal and external monitoring and reporting will continue until all LAR activities have been completed.

157. In addition to the above defined monitoring mechanism, the ADB will also keep a close oversight on the subproject implemented under the facility and will keep monitoring projects/subproject on an ongoing basis by launching safeguards review missions until a project completion report is issued.

D. Reporting Requirements and Disclosure of Monitoring Reports

158. The NHA will prepare and submit semi-annual (if not agreed otherwise in the RPs) social safeguards monitoring reports to ADB as part of project implementation performance monitoring. Such periodic monitoring reports documenting progress on resettlement implementation and resettlement plan completion reports will be provided through PIU/PMU through EALS to ADB for review and disclosure. In case of tranche project with significant IR impacts, the external monitoring reports will be prepared by an independent monitor who will prepare and submit bi-annual monitoring reports for EA and ADB's review and disclosures. NHA will also submit subproject completion reports to ADB for each site when compensation has been paid. In addition to the routine monitoring reports, in cases where ever required and agreed between NHA and ADB during execution of the project the PMU will prepare supplementary monitoring reports and share these with ADB. All monitoring reports will subject to disclosure and will be disclosed on ADB and NHA websites as and when cleared by ADB.

Annexure 1**Social Safeguards Screening Form****A. Introduction**

1. Subprojects are assigned an involuntary resettlement category depending on the *significance* of the probable involuntary resettlement impacts. Subprojects are categorized as A, B or C depending on the number of persons that will experience major impacts which is defined as (i) being physically displaced from housing, or (ii) losing 10% or more of productive assets or both. Subprojects where 200 or more persons will experience major impacts will be categorized as 'A' for IR and the subprojects with IR impacts of lessee's significance will be categorized as B and the subprojects without IR impacts will be categorized as C. For category A and B subprojects the LARPs commensurate with the impact significance will be prepared, implemented and monitored in compliance with safeguards requirement-II of ADB's SPS 2009.

2. Subprojects are also categorized as A, B or C with regard to Indigenous People (IP) depending on the significance of adverse impacts to IPs. Subprojects that will cause significant adverse impacts on customary rights to land/natural resources, socioeconomic status, cultural and communal integrity, health, education, livelihood and social security of IPs are categorized as 'A' while the projects with limited impacts on IP will be given category B and the subproject where IP impacts are unlikely will be placed in category C. For category A and B subprojects the IPs or combined LARP/IPP commensurate with the impact significance will be prepared, implemented and monitored in compliance with safeguards requirement-III ADB's SPS 2009.

3. Initial IR and IP screening of the project is conducted at early stage to demonstrate likely impacts, effort and resources required for planning, preparation and implementation of IR/IP safeguards documents. Follow-up screening is required to be done at the detailed design phase when the exact boundaries of the subproject corridor of impact including project activities and land acquisition and resettlement impacts are identified.

B. Instructions

4. The screening checklist below will be used for screening of IR and IP impacts of different subprojects to be implemented as tranche project under the MFF. The checklists will be completed by the PMU and EALS assisted by the Resettlement Specialists mobilized by the subproject preliminary/detailed design consultants for subsequent tranches under the MFF and will be shared with ADB safeguards officer to seek guidance and advice for preparation of LARPs/IPs commensurate with the impact significance in a manner consistent with ADB's safeguards requirements before processing of the PFRs for subsequent tranche-projects.

5. The social safeguard screening and categorization of a subproject is a continuing process. If there is a change in a subproject design and scope requiring IR impact change or unanticipated impacts identified during course of implementation that may result in category change, the PMU/EALS will review the likely impacts following this screening check list and will report to ADB project officer and safeguards officer for seeking guidance to update/revise the category and LARP accordingly or prepare an addendum LARP/IPP or corrective action plan to ensure project implementation is consistent with the ADB's safeguards requirements.

Screening Questions for Involuntary Resettlement/Indigenous People.

Project Location (Province/District):	
Project Title:	
Description of project road section	
Date	

A: Involuntary Resettlement Impact screening questionnaire.				
Probable IR/IP Impacts	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land and Resettlement Impacts				
1. Will there be land acquisition?---				
2. Is the site for land acquisition and ownership status and current usage of land to be acquired known?				
3. Will easement be utilized within an existing Right of Way (ROW)?				
4. Will there be loss of shelter and residential land due to land acquisition or due to clearance of existing right of way?				
5. Will there be loss of agricultural and other productive assets due to land acquisition or due to clearance of existing right of way?				
6. Will there be losses of crops, trees, and fixed assets due to land acquisition or due to clearance of existing right of way?				
7. Will there be loss of businesses or enterprises due to land acquisition or due to clearance of existing right of way?				
8. Will there be loss of income sources and means of livelihoods due to land acquisition or due to clearance of existing right of way?				
9. Will people lose access to natural resources, communal facilities and services due to involuntary restriction of land use or on access to legally designated parks/protected areas ?				
10. Will access to land and resources owned communally or by the state be restricted?				
B: Indigenous People Impacts.				
1. Are there IPs groups present/identified in project locations possessing following characteristics (i) identify themselves and by others as an ethnic minority group; (ii) attached collectively to a geographically distinct habitat or ancestral territory; (iii) have customary cultural, economic, social, or political institutions that are separate from the main stream society and culture; and (iv) have a distinct language, often different from the official language of the country or region?				
2. Will the project restrict their economic and social activity and make them particularly vulnerable in the context of project?				
3. Will the project change their socioeconomic and cultural integrity or disrupt their community life?				
4. Will the project alter or undermine the recognition of their knowledge, preclude customary behaviors or undermine customary institutions?				

5. In case no disruption of indigenous community life as a whole, will there be loss of housing, strip of land, crops, trees and other fixed assets owned or controlled by individual indigenous households?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? Yes	[]	No	[]	
If yes, approximately how many? _____				
Are any of them poor, female-heads of households, or vulnerable to poverty risks? Yes	[]	No	[]	
Are any displaced persons from indigenous or ethnic minority groups? Yes	[]	No	[]	

Note: The project team may attach additional information on the project, as necessary.

Social Safeguards Categorization and Requirements

- a. Involuntary Resettlement Safeguards
 - IR Category (A, B, C): _____
 - IR Requirement: (LARP, combined LARP/IPP, DDR) _____
- b. Indigenous People Safeguards
 - IP Category (A, B, C): _____
 - IP Requirement: (IPP, IP Note, DDR) _____

Other comments: _____

Prepared by: _____
 Assistant/Deputy Director Resettlement EALS
 Date: _____

Endorsed by: _____
 Director Resettlement and Social EALS
 Date: _____

Annexure-II**Outline of a Land Acquisition and Resettlement Plan**

1. This outline is part of the Safeguard Requirements. A LARP 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 LARP.

A. Executive Summary

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

B. Project Description

3. 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

4. This section:

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

D. Socioeconomic Information and Profile

5. 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

6. This section:

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

F. Grievance Redress Mechanisms

7. 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

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

H. Entitlements, Assistance and Benefits

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

I. Relocation of Housing and Settlements

10. This section:

11. 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);

- i. Describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- ii. Provides timetables for site preparation and transfer;
- iii. Describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- iv. Outlines measures to assist displaced persons with their transfer and establishment at new sites;
- v. Describes plans to provide civic infrastructure; and
- vi. Explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

12. This section:

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

K. Resettlement Budget and Financing Plan

13. This section:

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

- iv. Includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

14. This section:

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

M. Implementation Schedule

15. 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

16. 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.

Annex-III

Guidance Note on Handling Compensation Cases with Legal and Administrative Impediments	
Policy Requirement	Pay compensation and provide other resettlement entitlements before physical or economic displacement. ¹⁶
Key Issues	<p>1. ADB Safeguard Policy Statement (SPS 2009) requires the borrower/client to ensure that no physical displacement or economic displacement will occur until (i) compensation at full replacement cost¹⁷ has been paid to each displaced person (DP) for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan have been provided to DPs; and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help DPs improve, or at least restore, their incomes and livelihoods. While compensation is required to be paid before displacement, full implementation of the LARP might take longer.¹⁸To ensure policy compliance, specific provisions are included in the Project/Loan agreements to keep on-hold civil works until compensation payments are fully paid to the DPs.</p> <p>2. Compensation for both land and non-land assets is deemed to have been paid when the amount in cash or cheque has been provided to DPs¹⁹ or deposited into their bank account, or in an escrow account.²⁰Depositing the compensation in an escrow account, in lieu of providing cash or cheque to the DP is justified only when sufficient good-faith efforts and all legal requirements for contacting and notifying the DPs have been made.</p> <p>3. Pakistan's Land Acquisition Act (1894) allows the government to take possession of the acquired land once land award has been made as per LAA Section 11, and payment has been made or deposited to the court as per LAA Section 31. Accordingly, the Collector is required to pay the full amount to the DP, unless (a) the DP refuses to receive the amount, (b) there is no competent person to receive the compensation, or (c) if there is a dispute as to the title to receive the compensation. Such cases may be referred to the court and the compensation amount deposited in the court.²¹In case the DPs or their representatives did not come forward to collect their compensation, the amount may be deposited in the Revenue Department payable to the DPs, after exerting due efforts to contact and encourage them to appear and notifying the DPs in which treasury the deposit has been made.²²Similarly, the Acquiring Officer is required (as per SO 28), to the extent possible, to</p>
<i>SPS and legal covenants</i>	
<i>When is compensation considered paid?</i>	
<i>LAA requirement on compensating before displacement</i>	

¹⁶ See Involuntary Resettlement Safeguards Policy Principle 11, ADB Safeguards Policy Statement (2009), page 17.

¹⁷SPS defines full replacement cost for land and non-land assets as based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. In case of non-land assets, depreciation of structures and other assets should not taken into account. See SR 2: Involuntary Resettlement, ADB SPS (2009), para 10.

¹⁸See SR 2: Involuntary Resettlement, ADB SPS (2009), para 14.

¹⁹Displaced persons include: (i) persons with formal legal rights to land lost in its entirety or in part; (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws; and (iii) persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land. The borrower/client is required to provide adequate and appropriate replacement land and structures or cash compensation at full replacement cost for lost land and structures, adequate compensation for partially damaged structures, and relocation assistance, if applicable, prior to their relocation. DPs without legal rights to the affected land should be compensated for the loss of their non-land assets, and for other improvements to the land, at full replacement cost prior to their relocation provided they occupied the land or structure before the cut-off date. See SR 2: Involuntary Resettlement, ADB SPS (2009), para 7-8.

²⁰An escrow account is a separate, dedicated or trust bank account for keeping money that is the property of others. It is relevant in the case of absentee landlords whose property is acquired for a public purpose, or when there is litigation regarding the compensation amount for land acquisition. This mechanism enables payment of compensation once the legal cases were settled and ownership documents were submitted. Source: A Planning and Implementation Good Practice Sourcebook – Draft Working Document, ADB November 2012, para 152.

²¹ Reference to the court may only be made after the lapse in the period in Section 18 (2) of the LAA.

²² Financial Commissioner Standing Order No. 28 Land Acquisition, para 88 (V), page 29

<p><i>Cases with legal and administrative impediments</i></p> <p><i>Cases not valid as legal and administrative impediments</i></p> <p><i>Why is it important to address cases with legal and administrative impediments?</i></p> <p><i>Good-faith efforts for cases with legal and</i></p>	<p>make payments to DPs in or near the village to which the DPs belong to, in order to reduce the amount of undisbursed compensation payments.</p> <p>4. Both the LAA (1894) and ADB SPS (2009) require that DPs are compensated before displacement, but allow a mechanism for dealing with cases with legal and administrative impediments to disbursing compensation payments provided that sufficient good-faith efforts are demonstrated in (a) contacting, notifying and assisting DPs, and (b) delivering compensation payments. This guidance note clarifies:</p> <ul style="list-style-type: none"> i. What are cases with legal and administrative impediments to payment of compensation to DPs? ii. What are the requirements under the LAA related to cases with legal and administrative impediments to payment of compensation to DPs?; and, iii. When can good-faith efforts be considered as sufficient and how to document that good-faith efforts have been made? <p>5. Cases with legal and administrative impediments to payment of compensation include:</p> <ul style="list-style-type: none"> i. DPs who did not accept the award due to objection to the measurement of the land or affected asset, the amount of compensation, the person to whom it is payable, or the apportionment of the compensation among the persons interested; ii. Absentee land owners (DPs living overseas or in other parts of the country), and without an authorized representative to collect compensation; iii. DPs with pending inheritance mutations; iv. DPs unenthusiastic to collect meager compensation amount; v. DPs unable to alienate the acquired asset either being a juvenile with no legally documented guardian or due to other issues. <p>6. Non-disbursement/non-delivery of compensation due to (a) insufficient funds or delay in approval of funds; or (b) insufficient staff or resources does not justify payment of compensation to DPs after displacement. EAs/IAs have the power and responsibility to ensure that sufficient funds and staffing are available in a timely manner to undertake the required land acquisition. Similarly, non-compensation of affected non-land assets (structures) and improvements owned by DPs who have no formal rights to the affected land is not considered as a valid legal and administrative impediment (see footnote 4).</p> <p>7. DPs facing legal and administrative impediments could only be paid when they overcome those and in such cases, it is uncertain when DPs will actually receive their compensation, causing untoward delay in project execution due to complaints received from the DPs and burden to local communities and project stakeholders. More importantly, these impediments prevent the project from assisting these DPs to enhance, or at least restore, their livelihoods and to improve the standards of living of the displaced poor and other vulnerable groups.</p> <p>8. Although compensation of these DPs is beyond the control of the EA, and are mainly dependent of the actions of the DPs or ruling/decision from a third-party i.e. the court or BOR, good-faith efforts are needed from the EA/IA to (a) contact and notify DPs through their last known address, village heads or kin; (b) inform DPs who to contact or where to proceed to collect their compensation; and (c) possible actions that may help them receive their compensation.</p> <p>9. It is important that the LAR management team²³ undertakes continued community consultations and outreach to locate, assist and guide DPs with legal and administrative impediments. Documentation of the efforts by the LAR management team including multiple visits²⁴</p>
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²³ The LAR management team may include Land Acquisition and Resettlement Staff engaged by the EA i.e. EA's Land Management Staff, Land Acquisition Collector deputed by BOR, Resettlement Specialists and social mobilizers either recruited by the EA or mobilized through Consultants (Safeguards Management or Construction Supervision Consultants) to support the EA in effective LAR management..

²⁴ Repeated visits in three consecutive months scheduled for each village by the Land Acquisition Collector/Land Acquisition Unit of the EA to deliver compensation to unpaid DPs and identify those with legal and administrative impediments. The repeated visits should be documented showing visit schedule, information disclosure reports, list of

<p><i>administrative impediments</i></p> <p><i>Need for sustained community outreach</i></p>	<p>to villages with pending compensation payments, organizing village meetings, posting of notices in public places, serving notices at last known address of DPs and publishing the names of unpaid DPs in the print media is needed to demonstrate that due efforts were conducted in addressing cases with impediments.</p> <p>10. Some issue-specific measures to confirm DPs understanding about the availability of compensation, payment mechanism, time-lines as well as DPs agreement to the commencement of works (wherever required) while the issue is being resolved can help show and validate the efforts exhausted by the EA to achieve the policy objectives, and enable the decision makers to allow the construction works accordingly. For each issue, documentation requirements and recording of certification statements are discussed below and standard templates for additional documentation are provided against each issue as and wherever required:</p> <p style="text-align: center;">i) Land Title Disputes or Litigations amongst the DPs or Court References Against Award</p>
<p><i>Cases with title disputes and litigation</i></p>	<p>11. Where the DPs have title disputes before the competent courts of law or have filed references against award, payment of compensation could only be made after the court decrees which may take years. Further, right to appeal against court’s decree cannot be forfeited or denied under law which could further delay the payment. In such cases, payment of compensation in a given time frame is impossible and it would be appropriate to deposit compensation in treasury at courts disposal to make sure the DPs are paid as and when court verdicts passed. For these cases, the process provided in the succeeding paras should be followed.</p> <p>12. Immediately after identifying such cases, the EA after seeking court’s permission should deposit the compensation in the court for payment to DP as and when court decides their reference or title dispute. The receipt and records for such deposits should be maintained at the EA’s project office. Meanwhile, the EA through its LAR staff should liaise with the DPs to inform them about the compensation payment mechanism and compensation deposited in the treasury or the court. The EA’s project office should prepare and maintain the following record:</p> <ul style="list-style-type: none"> • Database/listing and field reports on activities done to identify and screen DPs with their legal/administrative issues including nature of dispute and reference court where pending • Field reports on activities done to coordinate with the DPs for early resolution of their issues and with courts for seeking permission/guidance and deposit of compensation in treasury at court’s disposal. • Copy of the delivery of notices (with signed receipt) to the DPs confirming deposit of amount at court’s disposal and clarifying mechanism for payment. <p style="text-align: center;">ii) Absentee Land Owners (DPs Living Overseas or in Other Parts of the Country).</p>
<p><i>Absentee land owners</i></p>	<p>13. Many rural households migrate to cities for better livelihood opportunities and standard of living. Moreover, hereditary division over time resulted in the segmentation of agricultural land parcels into unproductive units. While some families with land and assets in different parts of the country divide their land based on their places of residence, many do so without legally formalizing such settlements and getting land records updated accordingly. Some family members who have migrated overseas permanently or for livelihood had land in their name or retained their respective share in family-owned land as per land revenue records. All such land owners who own or have share in the land as per record but are not living in the village are termed as absentee land owners.</p> <p>14. Whenever the land is acquired, the absentee land owners²⁵are also shown as affected persons to the extent of their share in that land. The compensation to absentee land owners could not be made due to their non-appearance for processing and payment of compensation. LAA requires that notices are delivered against each land parcel either through(a) co-sharers in the</p>

persons met and field visit reports duly endorsed by the local community and the village headman confirming number of identified DPs with legal and administrative impediments.

²⁵ Land owners who are recorded in the land holding rights register as owners but they have shifted from the village to other areas in the country or overseas for better income opportunities and living standard.

acquired land parcel,(b) DPs relatives living in the village, or (c) through the village headman. The legal requirement is to serve notices to DPs at their places of residence either through special messenger or registered post, which can only be met if the whereabouts and residence of the absentee land owners is known. An additional measure that may be considered to notify absentee land owners whose whereabouts are unknown is by publishing their names in print media (National Daily News Paper).²⁶

15. It is vital to collect information about the DP’s contact details including the mailing and residential address to reach out to and facilitate absentee DPs in receiving payments. The following measures are proposed to contact absentee landowners and maintain record of all efforts made by the EA:

- Identify and record DPs relation in affected village or local contact person, collect information about DP’s present place of residence. See template 1 below:

Template 1: Record on DPs not living in the project area (other villages/cities in Pakistan or Overseas).

Date Prepared: _____

Name of Village _____ Tehsil _____ District _____

#	Name of DP	Impact Type	Person contacted in village and his cell No.	Relationship with DP	Current Residence of DP with contact No.	Remarks
1	Add DP name as of impact inventory	Add Impact, i.e., Land Tree Crops Structure etc.	Add name of person contacted with his cell number and other particular if any	Uncle, Brother, neighbour etc	Add current address of DP with contact number and city/country of residence.	Signature of the Person contacted
2						
3						
4						

Information Collected By _____ Sd. _____
 (SM team names) _____

Witnessed by _____ Sd. _____
 (Name of headman/president or member committee);

Information verified by _____ Sd. _____
 Resettlement Specialist _____

- Deliver formal notice to the DP’s last known address (recorded in template 1) through registered post with acknowledgement receipt attached. Make sure to keep on file as scanned-copy of the notice and acknowledgement receipt.
- In case no contact person or relative of the DPs is identified in the village and the local community confirms DPs whereabouts are unknown, a certification statement from any of the resident land owner in the village preferably by the president or member of the Displaced Persons Committee (DPC) and duly witnessed by (a) the village headman and, (b)land revenue patwari should be recorded and maintained. See Template 2 below(to be translated to Urdu).

²⁶ InNTCHIP tranche-1 and NHDSIP tranche –II projects (i.e M-4 Faisalabad-Gojra Section (ADB Loan 2400) and Sukkur-Jacobabad (N-65) (ADB Loan 2540)) and the National Motorway M-4 Gojra-Shorkot Section Project (ADB Loan 3300), the notices with the names of the DPs who have not come forward to collect compensation were published in the National News Papers (Urdu language) as a last resort effort to approach unpaid DPs for compensation delivery.

<p><i>DPs with pending inheritance mutation</i></p>	<p style="text-align: center;">Template 2: Statement from Village headman or other notable in village/area when the whereabouts of DP are not known</p> <p style="text-align: right;">Date prepared: _____</p> <p>Particular of DP and acquired land parcel</p> <p>Name of DP _____ {enter DP Name with Parentage} Resident of _____ {Enter DP Last known address} Land Plot _____ KhasraNos _____ Located Village _____</p> <p>Statement:</p> <p>I _____ {put name here} _____ the president/member of <u>village DPC or local resident land asset/owner</u>, on behalf of the other residents in village solemnly declare that:</p> <ul style="list-style-type: none"> • The DP and his family owned acquired land as per land records but for last (-----) they have never been seen in the village. • To my information, the DP and his family never lived in village, neither any relative of DP lives in village/area nor any of the village resident know the whereabouts of the DP and his family. • I affirm that the EA with assistance of DPC has exerted full efforts to outreach the DPs in village and those living in other areas and clarified that compensation cost for unpaid DPs is deposited in treasury that can be claimed as and when the DPS show-up to claim. • This statement is given free of coercion and compulsion which is witnessed by the Village Headman and land revenue Patwari of village -- _____. <p>The Declarant</p> <p>Sign/Thumb Impression Name _____ Village Headman/Local resident land owner _____ Resident of _____</p> <p>Witnessed By</p> <p>We the Village Head man and land revenue Patwari of village <u>{Put village name here}</u>, personally know Mr/Mrs _____ President/member of DPC or local resident land owner of village (____), and witness veracity of statement made by him affirming that the DP Named <u>{Put name of DP here}</u> himself or any of his family members are not living in village/area since/for -----and their current places of residence are not known to any of the local residents in village.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Signed</td> <td style="width: 50%;">Signed</td> </tr> <tr> <td>Name: Mr. _____</td> <td>Name: Mr. _____</td> </tr> <tr> <td>Village Headman Chak. _____</td> <td>Land Revenue Patwari Chak. _____</td> </tr> </table>	Signed	Signed	Name: Mr. _____	Name: Mr. _____	Village Headman Chak. _____	Land Revenue Patwari Chak. _____
Signed	Signed						
Name: Mr. _____	Name: Mr. _____						
Village Headman Chak. _____	Land Revenue Patwari Chak. _____						
	<p style="text-align: center;">iii) DPs with Pending Inheritance Mutations</p> <p>16. Land records are maintained by the local land revenue authorities who are responsible to enter land mutation transactions as and when reported by the landowners and update land records accordingly. In case of inheritance mutations, some heirs of DPs who passed away fail to get inheritance mutations recorded and get land records updated accordingly. Further, on an average land acquisition process is completed almost in two years and during the course of acquisition or after land awards are announced some DPs pass away without receiving their entitled compensation. Although the legal heirs of the deceased DP are eligible for compensation, they could not be paid until the inheritance mutation is recorded and remaining land of deceased DP is transferred in their name.</p> <p>17. Under the law, heirs of the DP should report and apply to the local land revenue authorities about the demise of the DP and apply for the updating of the land record. Upon receipt of the application, the land revenue authorities undergo a legal process to record the inheritance mutation, update the land record reflecting the names of legal heirs and their respective shares in the land record. When it is done, the compensation can be paid to the legal heirs as per their respective share. This process normally takes three to four months. For cases where inheritance mutations are not timely reported, recording becomes more difficult and can take a longer period to complete.</p> <p>18. When it is determined that the DP has passed away, the LAR management team should coordinate with the legal heirs of the DP for apprising them the process for compensation payment and assist them in approaching land revenue authorities to get their inheritance mutations recorded.</p>						

The LAR management team should carry-out the following activities to facilitate the mutation of inheritance and early payment of compensation to the heirs and document their efforts:

- Identify all living legal heirs of the DP, visit the heirs residing in the village and guide them on the process and facilitate in inheritance mutation process;
- Collect a statement from the legal heirs²⁷ confirming that their inheritance mutation of land is pending, acknowledging the EA's efforts to assist them, indicating awareness that funds are available for compensation delivery, and concurring that works may commence while their inheritance mutation is being processed.
- Keep copies of the signed statement in the EA project office files. See Template 3 below (to be translated to Urdu):

Template 3: Inheritor's Statement When Inheritance Mutation is Pending

Date Prepared: _____

Particulars of DP and acquired land parcel

Name of DP _____ (enter DP Name with Parentage as of land record), owner of Acquired Land Plot _____ Khasra Nos _____ Located in Village _____, District _____, Province _____

Statement by the Inheritor's

We the persons listed below as legal heirs of DP---(put name of DP here)----- against acquired land referred above solemnly declare that:

- The inheritance mutation of above said acquired land is pending;
- We understand that compensation can be claimed/paid according to inheritance mutation recorded in land record and we are coordinating with the Land Revenue Authorities in this regard;
- _____ (Name of Staff, Office and EA) has clarified that compensation amount already deposited in treasury can be paid to legal heirs as and when the inheritance mutation issues are resolved;
- We have no objection to the commencement project works on our plot while our inheritance mutation of land is being processed; and
- This statement is given free of coercion and compulsion which is witnessed by Village Headman and APC president.

The Declarant

Sign/Thumb Impression Name _____ Resident of _____	Sign/Impression Thumb Name _____ Resident of _____
Sign/ Thumb Impression Name _____ Resident of _____	Sign/ Thumb Impression Name _____ Resident of _____
Sign/ Thumb Impression Name _____ Resident of _____	Sign/ Thumb Impression Name _____ Resident of _____

Witnessed By

We the Village Headman and President APC village-----, personally know the above signatories as legal heirs of the DP, and confirm and witness the statement above.

Signed Name: Mr.----- Village Headman Chak-----	Signed Name: Mr.----- President DPC Chak-----
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DPs unable to alienate the land

iv) DPs Who are Unable to Alienate the Acquired Asset:

19. The DPs who being a minor/juvenile or because of mental disability/lunacy are not capable to alienate the acquired land under law and so could not be compensated directly. The law provides that compensation could be paid through legally-designated guardians or managers who can act and alienate the immovable property on behalf of the minor or the lunatics. In cases where the guardians

²⁷ To the extent possible, all legal heirs living within the village should sign the Statement. If some heirs are not available to sign, the LAR management team should prepare a field report indicating who are the heirs who were not able to sign the statement and the circumstances why they were not able to sign i.e. out of the village or country, ill, etc. The LAR management team should also record the names of heirs who are out of the village or country and their last known address and advise the other heirs to relay the information to those who are away.

are not designated by the court, the compensation remains pending until the minor attains the age of majority and claim compensation.

20. It is common that children inherit their parents' immovable properties, but is kept in possession and used by adult male members of the extended family or kinship group as a joint family asset. It is not a common practice to appoint guardians following the Guardians and Wards Act of 1890. Hence, compensation of DPs with minor ages kept on-hold until the DP becomes of legal age unless a valid guardian certificate is produced. Although such cases are not many, it is important to guide the adults who provide care to these minors or lunatics to approach the right forum or court for appointing a guardian under law.

21. It is recommended that the LAR management team to carry-out the following activities in dealing with pending guardian's appointment and in documenting its efforts:

- Coordinate with the Living Parent or other grown up members of the household the DP is living with, guide them on the process of appointing a guardian.
- Collect a certification statement from the Living Parent or other grown up member of the household the DP is living with, that i) confirms EA's efforts to notify and guide them and secure funds for compensation payment, ii) states that the appointment of guardian is pending, and iii) concurs to the commencement of civil works on the plot while the guardianship certificate is being processed. Such statement should be witnessed by the village headman and the village DPC chairman or member. See Template 4 below (to be translated to Urdu).

DPs with meager compensation

Template 4: Guardian Statement if DP is Juvenile

Date Prepared: _____

Particular of DPs and acquired land parcel

Name/Names of DPs i) _____ {enter DP Name/names of DPs with Parentage}, ii) _____ and iii) _____ Resident of _____ {Enter DP current address} Own acquired Land Plot _____ KhasraNos _____ Located Village _____

Statement by Guardian

I _____ {put name here} _____ the {mother/father/brother/sister/uncle _____ {put relation of elder with whom the minor DP/DPs lives} of DP/DPs i), _____ {put name of DP/DPs here} ii), _____ iii) _____ as natural guardian solemnly declare that:

- The DP/DPs is/are minor who lives with me and as natural guardian of DP/DPs, I am responsible for his/her/their well-being and bringing him/her/them up;
- _____ (indicate name of staff, unit, and EA) has clarified that compensation amount, already deposited in treasury, can be paid to legal guardian of DP/DPs after production of the valid Guardian Certificate issued by the competent court;
- A petition for issuance of guardians certificate is filed/being filed in the competent court and the court's decision is pending;
- The awarded compensation in name of DP/DPs will be collected upon issuance of guardian's certificate by court; however, as natural guardian I have no objection to commencement of project works; and
- This statement is given free of coercion and compulsion which is witnessed by Village Headman and DPC president.

The Declarant

Sign/Thumb Impression
 Name _____
 Relationship with DP _____
 Resident of _____

Witnessed By

We the Village Headman and President APC village-----, personally know Mr/Mrs _____ and witness veracity of statement made by confirming that the Minor DP/DPs named above lives with him/her in village/city _____ {Put name of village city here}.

Signed **Signed**
 Name: Mr.----- Name: Mr.-----
 Village Headman Chak----- President DPC Chak-----

v) DPs with Meagre Compensation

	<p>22. The compensation amount itself proves driving factor for DPs to submit their claims. In cases where small land holdings are in joint ownership with a number of entitled persons, corresponding compensation amount shares for each DP become very small (\$100 and below). A good number²⁸ of DPs fall in this category and they never show-up to collect compensation. The situation is further aggravated when such DPs also face other legal or administrative issues like pending inheritance mutations of acquired land or living overseas and other parts in the country.</p> <p>23. Although the law provides a mechanism that includes payment in cash at the village or compensation payment through money order in case of absentee land owners²⁹, such is no longer practiced. The only available mode is payment through voucher debit-able to the treasury which requires the DP to travel repeatedly to the district/tehsil headquarter to receive their compensation, making the transportation cost higher than their compensation.</p> <p>24. It is recommended that the LAR management team to explore other payment modes allowed under the LAA including cash payment or payment through money order if the DP is living out of project area. If such unclaimed compensations are deposited at court's disposal as legal remedy, it will be of no gain because a significant number of the DPs will remain unpaid. Following actions should be taken and recorded to explore specific measures and seek guidance from BOR in this aspect.</p> <ul style="list-style-type: none"> • Define a maximum slab of amount to be termed as meagrecompensation and get it endorsed by the EA; • Document coordination efforts with BOR including i) official correspondence and ii) meetings with BOR to seek guidance on the issue at the project and EA levels. • Maintain a record of actions taken by the project team for payment to DP or deposit of compensation at court's disposal following guidance from BOR.
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²⁸ In the National Motorway M-4 Gojra-Shorkot Section Project, almost \pm 10% DPs are entitled to a compensation below 100 US \$.

²⁹ Rule 87, Financial Commissioner's (Board of Revenue) Standing Order No 28 (1909) on land acquisition procedures.