

# Resettlement Framework

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March 2014

## Democratic Socialist Republic of Sri Lanka: Green Power Development and Energy Efficiency Improvement Investment Program

Prepared by Ceylon Electricity Board for the Asian Development Bank.

## CURRENCY EQUIVALENTS

(as of 10 March 2014)

Currency unit	–	Sri Lanka rupee/s (SLRe/SLRs)
SLRe1.00	=	\$0.00766
\$1.00	=	SLRs130.58

## ABBREVIATIONS

ADB	–	Asian Development Bank
AP	–	affected persons
CEB	–	Ceylon Electricity Board
CPR	–	common property recourses
DP	–	displaced person
DS	–	divisional secretary
EED	–	Energy and Environment Division
GoSL	–	Government of Sri Lanka
GRC	–	Grievance Redressal Committee
GRM	–	grievance redress mechanism
HH	–	households
IP	–	indigenous people
IR	–	involuntary resettlement
LAA	–	Land Acquisition Act of 1950
MFF	–	multitranches financing facility
MLLD	–	Ministry of Land and Land Development
MoPE	–	Ministry of Power and Energy
NEA	–	National Environment Act
NIRP	–	National Involuntary Resettlement Policy
PIU	–	project implementation unit
PMU	–	project management unit
RF	–	resettlement framework
RoW	–	right of way
RP	–	resettlement plan
SIA	–	social impact assessment
SPS	–	Safeguard Policy Statement

## WEIGHTS AND MEASURES

km	–	kilometer
kV	–	kilovolt
MW	–	megawatt

## NOTE

In this report, "\$" refers to US dollars.

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## I. INTRODUCTION

### A. Overview

1. The Sri Lanka Green Power Development and Energy Efficiency Improvement Investment Program (the Investment Program) is intended to finance a series of investments via a \$400 million Multi-tranche Financing Facility (MFF) of Asian Development Bank (ADB). It includes generation capacity enhancement, transmission capacity addition and distribution system strengthening installation energy efficiency measures. The Investment Program will also finance a number of “softer” activities, including operational capacity building and implementation supervision. The objective of the investment will be to achieve increased adequacy and efficiency of power system, including renewable energy in Sri Lanka. The MFF will combine finance to support physical and nonphysical investments, including energy efficiency and capacity building. Funding will be structured into two tranches<sup>1</sup>. The Investment Program will be implemented during 2014 – 2021.

2. The Sri Lanka government’s development framework envisions sustainable development of energy resources, enabling access to and use of energy services by the entire population, and reliable delivery of such services at a competitive price. To achieve the goal of meeting the growing demand for electricity at sufficiently low cost and acceptable reliability to widen access to growth opportunities and attain sustainability in the long term, the government plans to increase supply capacity of the system including through raising share of renewable energy sources (e.g., hydro, wind, etc.), reducing total technical and commercial losses of the transmission and distribution networks, and undertaking energy efficiency and conservation measures. The impact of the investment program will be increased access to clean, reliable, and affordable power supply. This will contribute to sustainable economic growth. The outcome will be enhanced clean power generation, system efficiency and reliability. The outputs of the investment program are:

- (i) **Hydropower generation developed and connected to the grid in the Central Province**  
This includes a 30 MW, run-of-river hydropower station at Moragolla in the Central Province, including a 132 kV associated transmission infrastructure to connect the station to the grid, that will increase clean and low cost base load power generation.
- (ii) **Transmission infrastructure capacity for absorbing increase in power demand and future renewable generation capacity enhanced**  
This comprises the construction and augmentation of a 220/132 kV and 132/33 kV grid substations and 220 kV and 132 kV transmission lines in Eastern, Northern, North Central, North Western, Southern, Western and Uva provinces that will absorb increase in power demand and ensure system’s stable operation with addition of intermittent wind and solar generation.
- (iii) **Efficiency of medium voltage network improved**  
This involves the construction of 33 kV lines and reactive power management through installation of switched capacitor banks in the MV network to address overloading of conductors, voltage drop in MV lines and poor power factor.
- (iv) **Demand-side management for energy efficiency improved**  
Demand-side management (DSM) interventions will be introduced, resulting to energy savings (e.g. efficient lighting, improved domestic metering, and use of smart grid technologies).
- (v) **Capacity development support provided to CEB**

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<sup>1</sup> In comparison with the MFF financing modality, policy-based lending helps with policy reforms, but does not finance investments. Sector development program loans combine policy reforms with financing for generally smaller projects. A sector loan provides financing for a series of repetitive small investment projects spread over a shorter period. The subprojects financed by a sector loan are generally “anticipated” or profiled in advance, based on a study of sample subprojects. Tranches of the MFF will finance slices of the Investment Program, but each tranche is substantial and clearly identified at the outset.

The investments will be reinforced by financing for non-physical capacity development components including: (a) energy efficiency related institutional capacity of CEB, (b) preparation of new sub-projects (for the second tranche), and (c) implementation supervision.

## B. Investment Program and Financing Plan

3. The long term investment program is estimated at \$4.8 billion for the period of 2014 – 2020. The government requests ADB to help finance a slice of the investment program in an amount of \$440 million and to do so through the MFF. The MFF will have two tranches of \$180 million each, including \$150 million from ADB and \$30 million of co-financing. The first tranche (2014) will include construction of the hydropower plant, transmission facilities, MV sub-projects, and pilot DSM sub-projects, as well as the non-physical components. The second tranche (2016) will focus on transmission and MV network sub-projects, and energy efficiency component. The tentative investment plan and financing plan are given in **Table 1** and **Table 2**, respectively.

**Table 1: Program Investment Plan**  
(\$ million)

Item	Amount <sup>a</sup>
<b>A. Base Cost<sup>b</sup></b>	
1. Construction of Moragolla Hydropower Plant	113.18
2. Transmission Infrastructure Development and Medium Voltage Network Efficiency Improvement	242.58
3. Energy Efficiency Pilot Projects	14.04
4. Project Management and Capacity Building <sup>c</sup>	12.31
<b>Subtotal (A)</b>	<b>382.11</b>
<b>B. Contingencies<sup>d</sup></b>	<b>44.22</b>
<b>C. Financing Charges During Implementation<sup>e</sup></b>	<b>13.67</b>
<b>Total (A+B+C)</b>	<b>440.00</b>

<sup>a</sup> Includes taxes and duties of \$18.57 million and incremental (e.g., land, environmental and social mitigation) cost of \$3.54 million to be financed from Government resources.

<sup>b</sup> In the first quarter 2014 prices.

<sup>c</sup> Includes overhead costs associated with project management, implementation, and monitoring.

<sup>d</sup> Physical contingencies computed at 5% of base cost. Price contingencies computed using ADB's forecasts of international and domestic inflation.

<sup>e</sup> Financial charges during implementation include interest from all financing sources. For ADB financing, the financial charges during implementation has been computed at the 6-month London interbank offered rate plus an effective contractual spread of 50 basis points for ordinary capital resources (OCR) loan components and at a base rate of 2.0% for Asian Development Fund loan components. Commitment charges for an OCR loan have been computed at 0.15% per year to be charged on the undisbursed loan amount.

Source: Ceylon Electricity Board and Asian Development Bank estimates.

**Table 2: Tentative Financing Plan**  
(\$ million)

Source	Project 1	Project 2	Project 1 and 2	Share of Total (%)
<b>Asian Development Bank</b>				
OCR loan	121.00	95.00	216.00	49.09
ADF loan	29.00	55.00	84.00	19.09
Subtotal	150.00	150.00	300.00	68.18
<b>Co-financing</b>				
AFD loan <sup>a</sup>	30.00	30.00	60.00	13.64
<b>Government</b>	40.00	40.00	80.00	18.18
<b>Total</b>	<b>220.00</b>	<b>220.00</b>	<b>440.00</b>	<b>100.00</b>

ADF = Asian Development Fund, AFD = Agence Francaise de Developpement, OCR = ordinary capital resources.

<sup>a</sup> AFD confirmed that it will co-finance Project 1 and expressed interest in co-financing Project 2 subject to their Management decision at the later stage.

Source: Asian Development Bank estimates.

4. **Table 3** provides a list of ADB funded sub-projects for both Tranches.

**Table 3: Investment Sub-Projects Funded under Investment Program**

Item	Type	Province	Project Name	Cost (in \$ million)
<b>Tranche I Projects</b>				
1	Generation	Central	Moragolla Hydro Project	125.51
2	Transmission	Western	Kerewalapitiya GSS	8.24
3	Transmission	Eastern	Construction of Kappalturai GSS	12.48
4	Transmission	North	Augmentation of Old Anuradhapura GSS	10.35
5	Transmission	Central Northern	Construction of Mannar-Nadukuda TL and Nadukuda GSS	26.10
6	Transmission	Western	Construction of Kesbewa GSS (Construction of 2x31.5MVA 132/33kV GSS GSS & SIO connection from Pannipitiya-Matugama 132kV TL, Reconstruction of Pannipitiya-Panadura T 12.3 km TL with Zebra)	10.51
7	Transmission	Western	Augmentation of Katunayaka GSS	2.52
8	Distribution	R1	Lynx D/C Tower line from Madampe GSS to Bowatte	2.78
9	Distribution	R1	SBB Gantry at Bowatte	0.17
10	Distribution	R2	Lynx D/C Tower line from Vavunathivuv GSS to Urani	0.46
11	Distribution	R2	DBB Gantry at Urani	0.09
12	Distribution	R2	Lynx D/C Tower line from Vavunathivuv GSS to Kaluwanchikudy	2.08
13	Distribution	R2	DBB gantry at Kaluwanchikudy	0.09
14	Distribution	R2	Lynx D/C Tower line from Vavunathivuv GSS to Karadiyanaru	1.00
15	Distribution	R2	DBB Gantry at Karadiyanaru	0.09
16	Distribution	R2	Lynx D/C Tower line from Vavunathivuv GSS to Thalankuda	1.62
17	Distribution	R2	DBB Gantry at Thalankuda	0.09
<b>Tranche II Projects</b>				
1	Transmission	Southern	Construction of New Polpitiya-Hambantota(Via Embilipitiya) Transmission line with Hambantota GSS 220kV development	76.98
2	Transmission	Western	Augmentation of grid substations - (Kotugoda, Biyagama, Kolonnawa)	8.45
3	Transmission	Northern	Construction of Chemmuni GSS	10.21
4	Transmission	Western	Construction of Kalutara GSS	8.79
5	Transmission	Western	Augmentation of Kukule GS	2.50
6	Transmission	Northern, North Central	Vavunia GSS 220kV Development	13.53
7	Transmission	Uva	Construction of Samanalawewa-Embilipitiya 132kV TL & Rehabilitation of Embilipitiya GSS	10.48
8	Transmission	Western	Augmentation of Madampe GSS	2.50
9	Transmission	Southern	Construction of Thissamaharama GSS	13.00
10	Distribution	R3	33kV Lynx D/C Pole line from Wellampitiya to Ambathale Gantry	0.29
11	Distribution	R3	33kV Lynx S/C steel Pole line from Maharagama PSS to Nawinna PSS	0.28
12	Distribution	R3/R2	DC Lynx 33kV Tower Line From Kegalle GSS to Kotiyakumbura via Moronthota	3.47
13	Distribution	R3	Construction of New Gantry at Kotiyakumbura	0.19
14	Distribution	R3	Construction of New Gantry at Choicy, Tawalantenna	0.19
15	Distribution	R1	Lynx D/C Tower Line From Polonnaruwa to Medirigiriya	2.50
16	Distribution	R1	SBB Gantry with 02 incoming & 03 outgoing	0.17

Item	Type	Province	Project Name	Cost (in \$ million)
17	Distribution	R1	feeders, Medirigiriya Lynx D/C Tower Line, From Kegalle GSS to Polgahawela	1.25
18	Distribution	R1	Gantry, SBB with 02 incoming & 02 outgoing feeders, Polgahawela	0.17
19	Distribution	R4	Lynx S/C Tower Line From Suriyawewa GS to Mattala airport	0.98
20	Distribution	R4	Lynx S/C pole line from Panadura GSS to Pallimulla PSS	0.13
21	Distribution	R4	Lynx S/C Pole Line From Pannipitiya GSS to Kesbewa	0.20
22	Distribution	R4	Lynx D/C Tower line from Tissa Gantry to Kataragama	2.01
23	Distribution	R4	DBB Gantry with 02 incoming & 03 outgoing feeders, Kataragama	0.19
24	Distribution	R1	33kV Capacitor Banks	0.02
25	Distribution	R2	33kV Capacitor Banks	0.23
26	Distribution	R3	33kV Capacitor Banks	0.99
27	Distribution	R4	33kV Capacitor Banks	1.26

5. Based on Table 3 above, the type of infrastructure components for the above sub-projects under the 2 tranches of proposed MFF is presented in **Table 4**.

**Table 4: Type of sub-projects and their components**

Type of Sub-projects	Main Components	Infrastructure
1. 33/132/220 kV Transmission lines, substations	Electrical and Mechanical Equipment	Generators, Control Room Panels, Turbines, Switchyard equipment, Transformers.
2. 30 MW Hydropower project	Steel/Concrete structures	Transmission towers, water conductor, Powerhouse, conductors, oil, and distribution lines.
3. Facilities, buildings		
4. Energy Efficiency	Civil Works	Barrage, water diversion structures, Buildings-power house, control rooms, storage for water and new and used oil, other equipment housing facilities.
5. Capacity Building		

### C. Need of the Resettlement Framework

6. The Resettlement Framework (RF) has been formulated to guide the preparation of Resettlement Plans (RPs), where necessary, for subprojects under the future tranches. The RF identifies the broad scope of the investment program and outlines the policy, procedures and institutional requirements for preparing RPs for subprojects under the MFF loan. This RF has been formulated based on ADB's Safeguard Policy Statement, 2009 (SPS), and Government of Sri Lanka's (GoSL) laws and policies as outlined in Section II. Any social safeguard component included in the investment program shall comply with the requirements of GoSL and ADB. The RF will apply to all future tranches under the MMF loan and will be reviewed and updated (if required due to major changes in policy) to ensure relevance and consistency with applicable country legal frameworks and ADB's Safeguard Policy Statement, 2009 (SPS), as amended from time to time. All resettlement planning documents will be endorsed and approved by the Executing Agency (EA) and cleared by ADB as required by ADB policy. Ministry of Power and Energy (MoPE) is the Executing Agency (EA) for overall coordination, whereas Ceylon Electricity Board (CEB) is also the EA and Implementing Agency (IA) for the hydro, transmission and distribution components. The EA/IA will be responsible for conducting the social analyses and formulating RPs for future tranches, as outlined in the RF.

## II. OBJECTIVES, POLICY FRAMEWORK, AND ENTITLEMENTS

7. The RF is based on applicable laws and policies of GoSL, and ADB's safeguard policy requirements. The RF outlines the objectives, policy principles and procedures for land acquisition, compensation and other assistance measures for Affected Persons (APs)/Displaced Persons (DPs). It includes guidance on screening and categorization, assessment, planning, institutional arrangements and processes to be followed for all subprojects. The EA/IA will endorse the resettlement framework prior to project appraisal. The EA/IA will be responsible for conducting social assessment and formulating resettlement plan(s) as per the procedures outlined in this resettlement framework. The draft resettlement framework will be disclosed to the affected persons and submitted to ADB for review and approval prior to commencement of any civil works. Compensation and other assistance will have to be paid to affected persons prior to any physical or economic displacement of affected households. The RF will be applicable for the entire investment program facility under the MFF.

### A. Policy and Legal Framework

8. The policy, legal framework, resettlement principles and entitlements in this RF are based on GoSL's Land Acquisition Act (LAA), 1950, The National Involuntary Resettlement Policy (NIRP), 2001; and ADB's Safeguards Policy Statement, 2009 (SPS). Additionally, the Sri Lanka Electricity Act-2009 is also taken in to consideration which refers to acquisition of property for power projects under the LAA-1950<sup>2</sup>.

#### 1. Land Acquisition Act 1950 (LAA)

9. The law governing acquisition of land for public purposes is the Land Acquisition Act (LAA), enacted in 1950 and which has been the subject of several amendments and revisions. LAA provides the legal basis to acquire land, if required for any project including in the electricity sector. The LAA provides compensation for land, structures, and crops. The LAA was amended several times thereafter, the latest being the Amendment Act No 13 of 1986. The Act provides a framework for facilitating land acquisition within the country. It also guarantees that no person is deprived of land except under the provisions of the LAA and entitles affected persons to a hearing before acquisition.

10. The land acquisition process under LAA is usually time consuming and may take up to 2-3 years. A major cause of delay in land acquisition is the compensation procedure and its attendant legal proceedings. Section 38A of the LAA also enables land acquisition under an urgency clause. The law only implicitly discourages unnecessary acquisition, as lands acquired for one purpose cannot be used for a different purpose, and lands that remain unused be returned to the original owners. However, there are no mechanisms to monitor whether these conditions are actually adhered to.

11. Provisions of the LAA are inadequate to address adverse impacts associated with land acquisition and involuntary resettlement (IR) and do not fully satisfy the requirements of the ADB's SPS 2009 on involuntary resettlement. The LAA is indifferent to the landowners' present socio-economic conditions or the long term adverse impacts on incomes and livelihood that the acquisition may cause to the affected people. For the purpose of

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<sup>2</sup> Chapter VII (52 (1) refers to acquisition of property which says, "Where the President on a recommendation made by the Minister is of the opinion that any immovable property is required for a power generation project or a transmission project and that such project would serve for the general welfare and benefit of the public, the President may by Order published in the Gazette, declare that such immovable property is required for such purpose, and the property may accordingly be acquired under the Land Acquisition Act and be transferred to the person or persons proposing to carry out such project".

assessment of compensation, the market value of land is generally the amount which the land might be expected to have realized if sold by a willing seller in the open market as a separate entity on the date of publication of notice in the gazette. Strips of land on canal reservations are assessed as narrow “separate entities” realizing a low market value. For marshy lands and encroached lands, the encumbered value is computed realizing a low market assessment.

12. There are issues associated with payment of compensation as well. The LAA stipulates compensation only for persons who appear in the land administration records as owners. It does not recognize the rights of those, such as encroachers or squatters, who do not possess legal title to the lands they live in or make a living from. There is thus no provision to mitigate additional adverse impacts. Another inadequacy of the LAA is that the onus to prove ownership or interest in, demonstrate clear title, gather all information and submit a compensation claim in respect of, land to be acquired, is on the affected party. Often, affected persons are not aware of their rights or timeframes to be observed under the LAA, or are ill-equipped to deal with the procedures required and do not have the experience of dealing with officials and the documentation involved. The LAA provides for compensation for lands and other fixed assets built and grown on them (structures, trees and orchards and crops). However, there is no provision to assess the impacts on people’s income, livelihood, loss of employment and business or for mitigation measures to restore loss of incomes and livelihood.

13. The LAA sets out the procedures for acquiring land and for payment of compensation for acquired land. A notice is issued specifying that land is potentially required for a public purpose, and this permits authorised personnel to undertake investigations (surveys, boreholes, and setting out of boundaries etc) to determine suitability. If the land is deemed suitable for the public purpose a written declaration to that effect is made, and notices are issued describing the land, the intention to acquire the land, and requiring that persons with an interest in the land notify (in writing) the acquiring officer of their claim (including the expected amount of compensation)<sup>3</sup>.

14. The acquiring officer then holds an inquiry into the market value of the land, the claims for compensation, and the respective interests of the claimants, as well as any other related matters. At the conclusion of the inquiry the acquiring officer either makes a decision on the claims or refers the claims to the District Court or Primary Court.

15. Following the decision (either by the acquiring officer or the courts), the acquiring officer makes an award determining the persons who are entitled to compensation, the total amount of compensation deemed to be allowed for the acquisition, and the apportionment of the compensation between the persons with interest in the land. In the event of a dispute over the determination, it may be appealed to either the Compensation Review Board or Court of Appeal (on questions of law following a decision by the Compensation Review Board), provided that the appeal is lodged within 21 days of receipt of notification of the award.

16. Provided that there are no appeals, the compensation is paid (the LAA allows for an initial payment and the remainder to be paid in instalments). If the person with an interest in the land has agreed to a land exchange in lieu of cash, the transfer is put into effect at this time. After the awards are made the Minister publishes or gazettes a “vesting order” for the possession of the land, after which time occupants of any buildings located on the land to be vested are given notice to vacate. Stages of land acquisition are shown in the flow chart at **Table-5**.

**Table 5: Flow Chart Land Acquisition under Land Acquisition Act**

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<sup>3</sup> The acquiring officer can also request any person with an interest in the land to deliver a statement setting out the names and addresses of every other person with any form of interest (whole or partial) in the land.

SI No	Activity	Responsibility	Minimum Period required for task (weeks)
1	Preparation of project proposal. Request for land to be acquired- to the Ministry of Lands- section 2 ( 1 ) of LA Act	Project Executing agency	2
2	Approval granted by the Minister under Section 2.	Ministry of Lands	2
3	Preparation of a perimeter survey plan-Section 2 ( 3 )	Survey Dept.	4
4	The Minister ' s decision to acquire land and the decision to publish in the Government Gazette in 3 languages under section 5	Minister of Lands	5
5	Preparation of preliminary plan ( pp ) under Section 6 by the Survey Dept, or a Licensed Surveyor Acting under the direction of the Surveyor General	surveyor	6
6	Publication of the notice that an inquiry will be held under section 7(1) and those interested to appear before the inquiring officer for an inquiry. This is to be gazette in all 3 languages. The date of inquiry should not be earlier then 21 days and could be extended up to 28 days.	Acquiring Officer	6
7	Any persons interested in respect of land can under section 8 delivery to the acquiring officer the names and address of interested parties and nature of interest in the land and all other details such as rent , profile, etc.	Affected persons	
8	The inquiries under Section 9 by Acquiring officer to ascertain market value, compensation claimed by affected parties, Valuation Dept .to be requested to calculate the amount of compensation to be paid.	Acquiring Officer	8
9	Decision of inquiry under section 19 (1) as to a person's right to the land. If claimant is not satisfied with the decision the Acquiring officer can make a reference to District Court/Primary court and defer making his award. Here the inquiry will be stopped until the court decides on the issue.	District court/primary court.	Indefinite
10	The result of the inquiry under section 9 and decision under section 10 which is the final determination makes his award under section 17 giving details of: 1. Persons entitled to compensation 2. Nature of interests 3. Amount of compensation 4. Award of such compensation	Acquiring Officer	5
11	If the parties disagree they can appeal to the board of Review.	Affected Person/Board of Review	Indefinite
12	Payment of Compensation	Acquiring Officer	4
13	A notice under Section 38 is gazetted(if the land is not taken over earlier) Vesting Order	Minister	6
14	Taking possession of the land	Acquiring Officer	3
15	Registration of the land in the land Registry	Ministry of lands	3
Total Period in Weeks			54

## 2. National Involuntary Resettlement Policy-2001 (NIRP)

17. To ensure that people affected by development projects are treated in a fair and equitable manner, and that they are not impoverished in the process, GoSL has adopted National Involuntary resettlement Policy (NIRP) in 2001. This policy would establish the framework for project planning and implementation. Subsequently, it will be necessary to prepare guidelines on resettlement planning and implementation to be used by the PEA. In the past, project related resettlement of Sri Lanka has been guided by Land Acquisition Act of 1950, as amended from time to time. However, as it did not have adequate provisions for full social and economic rehabilitation of the people to be resettled, Sri Lanka has adopted NIRP.

The policy assigns the overall responsibility of its implementation to the Ministry of Land Development, with the project approving agencies and the Central Environmental Authority too being assigned responsibilities of evaluation and implementation. In addition to the NIRP, a cabinet decision has been adopted in 2006, (as amended in 2007) specifically for the payment of compensation for families affected by land acquisition for power sector development projects and works connected with electrical undertakings. As stated earlier, no involuntary resettlement is foreseen in this project. However in case any involuntary resettlement becomes unavoidable, compensation would be paid in accordance with the NIRP and the Cabinet Decision of 2006 (amended in 2007)

18. The policy will apply to all development-induced land acquisition or recovery of possession by the State. A comprehensive Resettlement Action Plan will be required where 20 or more families are affected and if less than 20 families are affected the policy still applies but a plan can be prepared to a lesser level of detail. The policy will apply to all projects regardless of source of funding and. The policy will apply to all projects in the planning phase on the date this policy comes into effect, and all future projects. Some of the basic objectives of the NIRP are to (i) avoid, minimise and mitigate negative impacts of involuntary resettlement by facilitating the reestablishment of the affected people on a productive and self-sustaining basis. The policy should also facilitate the development of the project-affected people and the project; (ii) to ensure that people adversely affected by development projects are fully and promptly compensated and successfully resettled and the livelihoods of the displaced persons should be re-established and the standard of living improved; (iii) ensure that no impoverishment of people shall result as a consequence of compulsory land acquisition for development purposes by the State, (iv) to assist adversely affected people in dealing with the psychological, cultural, social and other stresses caused by compulsory land acquisition; (v) to make all affected people aware of processes available for the redress of grievances that are easily accessible and immediately responsive, (vi) to have in place a consultative, transparent and accountable involuntary resettlement process with a time frame agreed to by the PEA and the affected people.

19. The Broad principles of the NIRP are as follows:

- Involuntary resettlement should be avoided or reduced as much as possible by reviewing alternatives to the project as well as alternatives within the project.
- Where involuntary resettlement is unavoidable, affected people should be assisted to re-establish themselves and improve their quality of life.
- Gender equality and equity should be ensured and adhered to throughout the policy.
- Affected persons should be fully involved in the selection of relocation sites livelihood compensation and development options at the earliest opportunity
- Replacement land should be an option for compensation in the case of loss of land; in the absence of replacement land cash compensation should be an option for all affected persons
- Compensation for loss of land, structures, other assets and income should be based on full replacement cost and should be paid promptly. This should include transaction costs.
- Resettlement should be planned and implemented with full participation of the provincial and local authorities.
- To assist those affected to be economically and socially integrated into the host communities, participatory measures should be designed and implemented.
- Common property resources and community and public services should be provided to affected people.
- Resettlement should be planned as a development activity for the affected people.
- Affected persons who do not have documented title to land should receive fair and just treatment.
- Vulnerable groups should be identified and given appropriate assistance to substantially improve their living standards.

- Project Executing Agencies should bear the full costs of compensation and resettlement.

### 3. ADB'S Safeguard Policy Statement, 2009 (SPS)

20. ADB has adopted Safeguard Policy Statement (SPS) in 2009 including safeguard requirements for environment, involuntary resettlement and indigenous people. The objectives of the Involuntary Resettlement Safeguard policy is to avoid involuntary resettlement wherever possible; to minimise 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.

21. The involuntary resettlement safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and 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. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary. The three important elements of ADB's SPS are: (i) compensation at replacement cost for lost assets, livelihood, and income prior to displacement; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. The SPS gives special attention to poor and vulnerable households to ensure their improved well-being as a result of project interventions. Followings are the basic policy principle of ADB's SPS:

- (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 non-government organisations. 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 (i) 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, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- (iv) Provide physically and economically displaced persons with needed assistance, including the following: (i) 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; (ii) transitional support and development

- assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) 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 recognisable 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 project 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. Disclose monitoring reports.

#### **4. Gaps between Various Policies**

22. In Sri Lanka the Land Acquisition Act of 1950 as amended from time to time only provides for compensation for land, structures and crops. It does not require the PEAs to address key resettlement issues such as (a) exploring alternative project options that avoid or minimise impacts on people; (b) compensating those who do not have title to land; (c) consulting affected people and hosts on resettlement options; (d) providing for successful social and economic integration of the affected people and their hosts, and (e) full social and economic rehabilitation of the affected people. The LAA of 1950 gives directives for the acquisition of land in the public interest and provides benefits only to titleholders. The LAA does not guarantee compensation at replacement cost for the loss of land and assets. The National Involuntary Resettlement Policy (NIRP) 2001 represents a significant milestone in the development of a systematic approach to addressing resettlement issues in Sri Lanka, and closes significantly the gap between Sri Lankan national policies and those of ADB. However, the application of the NIRP to the Project based on its scope, which applies "to all development-induced land acquisition or recovery possession by the State" and its definition of involuntary resettlement as "unavoidable displacement of people arising from development projects that creates the need for rebuilding their livelihoods, incomes and asset bases in another location" does not provide necessary guidance on compensation for temporary impacts during construction, which are the largest envisaged impacts due to the project. A gap analysis of various policies is provided in **Appendix-1**.

## **5. Involuntary Resettlement Safeguard Principles for the Investment Program**

23. Based on the above analysis of applicable legal and policy frameworks of government and in consistent with ADB's policy requirements, broad resettlement principle for the program shall be the following:

- (i) Involuntary resettlement would be avoided wherever possible or minimized as much as possible by exploring project and design alternatives.
- (ii) Subprojects under the program will be screened to identify past, present, and future involuntary resettlement impacts and risks. The scope of resettlement planning will be determined through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- (iii) Meaningful consultations with affected persons, host communities, and concerned non-government organizations will be carried out and all displaced persons will be informed of their entitlements and resettlement options. AP's participation in planning, implementation, and monitoring and evaluation of resettlement programs will be ensured.
- (iv) Particular attention will be paid to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples (IP), and those without legal title to land, and ensure their participation in consultations.
- (v) An effective grievance redress mechanism will be established to receive and facilitate resolution of the affected persons' concerns. The social and cultural institutions of displaced persons and their host population will be supported through proper planning. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- (vi) Livelihoods of all displaced persons will be improved or at least restored through (i) 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, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- (vii) Physically and economically displaced persons will be provided with needed assistance, including (i) 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; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- (viii) Standards of living of displaced poor and other vulnerable groups, including women, will be improved to at least national minimum standards. In rural areas legal and affordable access to land and resources will be provided, and in urban areas appropriate income sources and legal and affordable access to adequate housing will be provided to the displaced poor.

- (ix) If land acquisition is through negotiated settlement, procedures will be developed in a transparent, consistent, and equitable manner to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status. If, however, the negotiated settlement fails, the normal procedure of land acquisition will be followed. The EA/IA will engage an independent external party to document the negotiations and settlement processes, and that the EA/IA will agree with ADB on consultation processes, policies, and laws that are applicable to such transactions; third party validation; mechanisms for calculating replacement costs of land and other assets; and record keeping requirements. Please ensure that both points state *"Should negotiations fail and expropriation result involuntary resettlement procedures would be followed."*
- (x) Displaced persons without titles to land or any recognizable legal rights to land will be ensured that they are eligible for resettlement assistance and compensation for loss of non-land assets.
- (xi) A resettlement plan will be prepared elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (xii) The draft resettlement plan, including documentation of the consultation process will be disclosed in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. The final resettlement plan and its updates will also be disclosed to affected persons and other stakeholders.
- (xiii) Involuntary resettlement will be conceived and executed as part of a development project or program. Full costs of resettlement will be included 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.
- (xiv) All compensation will be paid and other resettlement entitlements will be provided before physical or economic displacement. The resettlement plan will be implemented under close supervision throughout project implementation.
- (xv) Resettlement outcomes, their impacts on the standards of living of displaced persons will be monitored; it will be assessed whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Monitoring reports will be disclosed to APs.
- (xvi) Land acquisition for the project would be done as per Land Acquisition Act-1950 of Government of Sri Lanka.
- (xvii) The EA/IA shall attempt to acquire or buy the uneconomic residual land remaining after land acquisition if the owner is willing to sell. The owner of such land/property may request to the EA/IA for acquisition of his/her entire contiguous holding/property provided the residual land remains unviable.
- (xviii) People moving in the project area after the cut-off date will not be entitled to any assistance.
- (xix) All common property resources (CPR) lost due to the project will be replaced or compensated by the project.
- (xx) The investment program having various components such as hydro, transmission and distribution shall follow impact specific approach for compensation. Land acquisition for hydro components, transmission substation and distribution gantry

will follow the standard LAA methods. Impacts on loss of land on transmission and distribution towers (though small in area) shall also be compensated and shall be treated as permanent impact. Transmission and distribution lines, being the overhead lines, shall be taken in to consideration for compensation for loss, trees, crops etc along the Right of Way (RoW).

## **B. Entitlement Matrix**

24. The project will recognize three types of displaced persons/affected persons like (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 involuntary resettlement requirements apply to all three types of DPs/APs. In accordance with the R&R measures suggested for the project, all affected households and persons will be entitled to a combination of compensation packages and resettlement assistance depending on the nature of ownership rights on lost assets and scope of the impacts including socio-economic vulnerability of the affected persons and measures to support livelihood restoration if livelihood impacts are envisaged. The DPs/APs will be entitled to the following five types of compensation and assistance packages:

- (i) Compensation for the loss of land, crops/ trees at their replacement cost;
- (ii) Compensation for structures (residential/ commercial) and other immovable assets at their replacement cost;
- (iii) Assistance in lieu of the loss of business/ wage income and income restoration assistance;
- (iv) Assistance for shifting and provision for the relocation site (if required), and
- (v) Rebuilding and/ or restoration of community resources/facilities.

25. Compensation for the lost assets to all DPs/APs will be paid on the basis of replacement value. Resettlement assistance for lost income and livelihoods will be provided to both title holders and non-title holders. Special resettlement and rehabilitation measures will be made available to vulnerable group comprises of very poor DPs/APs, Indigenous Peoples (IP), women headed households (WHH) and differently abled households. DPs/APs meeting the cut-off date requirements (for permanent land acquisition from title holders, the date of notification under the LAA will be treated as the cut-off date, and for non-titled persons, the date of project Detailed Measurement Survey) or a date as set by the EA/IA's norms will be entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the affected persons. Unforeseen impacts will also be compensated in accordance with the principles of this framework. An Entitlement Matrix (**Table 6**) has been formulated, which recognizes and lists various types of losses resulting out of the project and specific compensation and resettlement packages

**Table 6: Entitlement Matrix**

Nº	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
<b>A. LAND</b>						
A-1	Loss of private land	Agricultural land and commercial agricultural land (i.e., tea, home gardens, rubber etc.) being affected by the Projects <sup>4</sup>	<ul style="list-style-type: none"> <li>• Titled holders or owner with legal right</li> <li>• DPs/APs APs with customary land right or government permit holder</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation based on market/replacement cost</li> <li>• Resettlement assistance</li> <li>• Additional Assistance to vulnerable<sup>5</sup> DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• An alternative agricultural land similar to the extent of the land to be acquired will be given, at a suitable location if available and feasible<sup>6</sup>.</li> <li>• In case where, alternative land cannot be provided due to scarcity of suitable lands, cash compensation based on the valuation determined by the Valuation Department will be paid.</li> <li>• Alternative land will be prepared by the project to suit the anticipated cultivation or a cash payment will be made for the purpose.</li> <li>• If there is a time lag between allocation of an alternative agriculture land and taking over of the land for the project, a cash compensation for loss of income subject to a maximum of three years will be paid to the cultivator based on assessment obtained from the relevant Divisional Secretary.</li> </ul>	CEB/Valuation Department/Divisional Secretary

<sup>4</sup> Project components broadly include land for hydro power project (dam site, quarry site, power house site, staff colony site, dumping sites, tunnel sites, approach roads, and other relevant project components etc.), land for transmission grid substations and distribution gantries etc.

<sup>5</sup> Female headed households, Disabled/Differently abled people, Elderly (Householders over 60 years of age), indigenous people households and Very poor families (US\$ 2 per day mark as an indicator)

<sup>6</sup> If the affected land does not exceed one acre or not less than 0.25 acre, an alternative land in similar extent will be provided by the Project subject to the availability and if feasible. Where the lands to be acquired are larger than one acre or less than 0.25 acre, cash compensation in respect of such lands will be paid based on the valuation determined by the Valuation Department

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
					<ul style="list-style-type: none"> <li>• If the compensation determined by the Valuation Department is less than the “market price/ replacement cost” then the difference is to be paid by the EA/IA (CEB) as assistance</li> <li>• The EA/IA (CEB) will try to acquire the residual plot if DPs/APs are willing to do so and if remaining land that is unviable or uneconomic</li> <li>• Resettlement/Transitional assistance in the form of once and for all cash payment will be made to purchase seeds and fertilizer to each eligible DPs/APs based on the extent of affected land area with a minimum lump sum of LKR 10,000.</li> <li>• Transaction costs (documentary stamps, registration costs, tax etc.) as applicable under the relevant laws will be borne by the EA/IA (CEB) during the process of acquisition, relocation and rehabilitation with a minimum lump sum of LKR 10,000.</li> <li>• Minimum of 60 days advance notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided.</li> <li>• In case of severance (people losing more than 10% of their productive assets) due to acquisition of agricultural land, an additional grant equivalent to a maximum of 10% of the compensation value will be paid to the DPs/APs</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum</li> </ul>	

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
					lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts	
			Tenants/leaseholder/sha recropper	<ul style="list-style-type: none"> <li>• Compensation based on market/replacement cost</li> <li>• Resettlement assistance</li> <li>• Additional Assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation or reimbursement of rental deposits/unexpired lease.</li> <li>• Resettlement/Transitional assistance in the form of once and for all cash payment will be made to purchase seeds and fertilizer to each eligible DPs/APs based on the extent of affected land area with a minimum lump sum of LKR 10,000.</li> <li>• Minimum of 60 days advance notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Valuation Department/Divisional Secretary
			Encroachers <sup>7</sup>	<ul style="list-style-type: none"> <li>• Resettlement Assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Advance 60 days notice to shift from encroached land to harvest standing crops etc.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Valuation Department/Divisional Secretary

<sup>7</sup> defined as a person who has legal title holding to land but illegally extends his occupation onto the contiguous, vacant government land.

Nº	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
			Non- titleholders <sup>8</sup> (squatters/informal settlers)	<ul style="list-style-type: none"> <li>• Compensation at market/replacement cost</li> <li>• Additional Assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of 60 days advance notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided.</li> <li>• Resettlement/Transitional assistance in the form of once and for all cash payment will be made to purchase seeds and fertilizer to each eligible DPs/APs based on the extent of affected land area with a minimum lump sum of LKR 10,000.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Valuation Department/Divisional Secretary
A-2	Loss of private land	Small parcel of land being be affected by transmission and distribution tower footings to be placed on private land Projects <sup>9</sup>	Titled holders or Owner with legal right	<ul style="list-style-type: none"> <li>• Compensation based on market/replacement cost</li> <li>• Additional Assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• cash compensation based on the valuation determined by the Valuation Department will be paid</li> <li>• If the compensation determined by the Valuation Department is less than the “market price/ replacement cost” then the difference is to be paid by the EA/IA (CEB) as assistance</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Valuation Department/Divisional Secretary

<sup>8</sup> defined as a person who appears from nowhere and occupies vacant government land/structure for living space and/or livelihoods.

<sup>9</sup> The investment program includes transmission and distribution strengthening components. This is specifically meant for the transmission and distribution towers which are to be placed. The area of tower and the land requirement for each tower is quite small in nature and there will be number of towers in a specific line out of which few may come on private land. This is mostly loss of access to the small patch of tower land. Therefore, it is proposed that the AE/IA will suitably compensate for the land cost based on the market/replacement cost.

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
<b>B. STRUCTURES</b>						
B-1	Loss of Residential structure/house in the project area	Residential structure/house in the project affected area existed as at the cut-off date	Titleholder or Owner with legal right	<ul style="list-style-type: none"> <li>• Compensation at replacement cost</li> <li>• Resettlement assistance</li> <li>• Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• House for house with more space and facilities decided by the EA/IA (CEB) will be provided based on the floor area of the affected house, built in a land not less than 15 perches in extent.</li> <li>• In case where an alternative house cannot be provided at all due to unavoidable circumstances, compensation based on replacement cost will be paid.</li> <li>• All fees, taxes, and other charges related to replacement structure will be borne by the EA/IA (CEB) and will be paid to DPs/APs with a minimum lump sum of LKR 10,000.</li> <li>• Shifting assistance will be provided to the DPs/APs up to a maximum of LKR 50,000 or transportation of goods and materials will be provided by the project.</li> <li>• DPs/APS will have the right to salvage material from demolished structure at no cost.</li> <li>• Resettlement assistance in the form of subsistence allowance will be paid to DPs/APs equivalent to LKR 30,000 for the first month upon resettlement</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the</li> </ul>	CEB/Valuation Department/Divisional Secretary

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
					vulnerability and impacts	
			Tenants/Leaseholder	<ul style="list-style-type: none"> <li>• Compensation (in case, additional structure erected)</li> <li>• Resettlement Assistance</li> <li>• Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• Additional structures erected by tenants will be compensated and deducted from owner's compensation amount.</li> <li>• Households residing in rented houses will not be entitled for alternative houses. However, they will be entitled for one time ex-gratia payment not exceeding LKR 90,000.</li> <li>• Shifting assistance will be provided to the DPs/APs up to a maximum of LKR 50,000 or transportation of goods and materials will be provided by the project</li> <li>• Any advance deposited by the tenants will be refunded from owners total compensation package to the tenant on submission of documentary evidences.</li> <li>• DPs/APS will have the right to salvage materials from demolished structure and frontage etc. erected by leaseholder/tenants.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Valuation Department/Divisional Secretary
			Encroachers	<ul style="list-style-type: none"> <li>• Resettlement assistance</li> <li>• Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• DPs/APs will have the right to salvage material from demolished structure at no cost.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the</li> </ul>	CEB/Valuation Department/Divisional Secretary

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
			Non title holders (Informal Settlers/squatters)	<ul style="list-style-type: none"> <li>• Compensation for non-land assets at market value/replacement cost</li> <li>• Resettlement Assistance</li> <li>• Additional assistance to vulnerable DPs/APS</li> </ul>	<p>vulnerability and impacts</p> <ul style="list-style-type: none"> <li>• Compensation for affected structures at replacement cost</li> <li>• DPs/APS will have the right to salvage material from demolished structure at no cost.</li> <li>• Shifting assistance will be provided to the DPs/APS up to a maximum of LKR 50,000 or transportation of goods and materials will be provided by the project</li> <li>• Additional assistance will be paid to vulnerable DPs/APS equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Valuation Department/Divisional Secretary
B-2	Loss of Commercial Structure/Business Places	Commercial structures/ Business Places affected by the project, existed as at the cut-off date	<ul style="list-style-type: none"> <li>• Titleholder/Owner with legal right</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation at replacement cost</li> <li>• Resettlement assistance</li> <li>• Additional assistance to vulnerable DPs/APS</li> </ul>	<ul style="list-style-type: none"> <li>• An alternative business place will be provided with improved facilities at a suitable location if available and feasible.</li> <li>• In case where an alternative house cannot be provided at all due to unavoidable circumstances, compensation based on replacement cost will be paid</li> <li>• All fees, taxes, and other charges related to replacement structure will be borne by the EA/IA and will be paid to DPs/APS with a minimum lump sum of LKR 10,000.</li> <li>• In case where the land in which the affected business place located is in excess of</li> </ul>	CEB/Valuation Department/Divisional Secretary

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
					<p>the land on which the alternative business place will be constructed, cash compensation in respect of the market value for the excess land will be paid based on the valuation determined by the Valuation department if the legal possession for the land can be established.</p> <ul style="list-style-type: none"> <li>• If an alternative business place cannot be provided before removal of the affected building, a temporary place to carry out the business will be provided by the project or a cash payment will be made, to rent a suitable place to continue with the business.</li> </ul> <p>Any loss of business income occurred during the interim period will be compensated by the project until they are reasonably able to re-establish their businesses in a new area.</p> <ul style="list-style-type: none"> <li>• Shifting assistance will be paid to DPs/APS up to a maximum of LKR 50,000 or transportation of goods and materials will be provided by the project</li> <li>• DPs/APS will have the right to salvage material from demolished structure at no cost.</li> <li>• Additional assistance will be paid to vulnerable DPs/APS equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	
			Tenants/Leaseholder	<ul style="list-style-type: none"> <li>• Compensation (in case, additional structure erected)</li> <li>• Resettlement</li> </ul>	<ul style="list-style-type: none"> <li>• Additional structures erected by tenants will be compensated and deducted from owner's compensation amount.</li> </ul>	CEB/Valuation Department/Divisional Secretary

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
				Assistance • Additional assistance to vulnerable DPs/APs	<ul style="list-style-type: none"> <li>• Those who are running businesses in rented buildings will not be entitled for alternative business places. However, they will be entitled for one time ex-gratia payment not exceeding LKR 90,000.</li> <li>• Any advance deposited by the tenants will be refunded from owners total compensation package to the tenant on submission of documentary evidences.</li> <li>• Shifting assistance will be provided to DPs/APs up to a maximum of LKR 50,000 or transportation of goods and materials will be provided by the project</li> <li>• DPs/APS will have the right to salvage materials from demolished structure and frontage etc. erected by tenants/leaseholders.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	
			Encroachers	<ul style="list-style-type: none"> <li>• Resettlement assistance</li> <li>• Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation for affected structures constructed by encroachers at replacement cost.</li> <li>• Any loss of business income occurred during the interim period will be compensated by the project until they are reasonably able to re-establish their businesses in a new area</li> <li>• Shifting assistance will be provided to DPs/APs up to a maximum of LKR 50,000 or</li> </ul>	CEB/Valuation Department/Divisional Secretary

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
					<p>transportation of goods and materials will be provided by the project</p> <ul style="list-style-type: none"> <li>• DPs/APs will have the right to salvage material from demolished structure at no cost.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	
			<p>Non title holders (Informal Settlers/squatters)</p>	<ul style="list-style-type: none"> <li>• Compensation for non-land assets at market value/replacement cost</li> <li>• Resettlement Assistance</li> <li>• Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation for affected structures at replacement cost.</li> <li>• Any loss of business income occurred during the interim period will be compensated by the project until they are reasonably able to re-establish their businesses in a new area.</li> <li>• Shifting assistance will be provided to DPs/APs up to a maximum of LKR 50,000 or transportation of goods and materials will be provided by the project</li> <li>• DPs/APS will have the right to salvage material from demolished structure at no cost.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	<p>CEB/Valuation Department/Divisional Secretary</p>
<b>C. TREES AND CROPS</b>						
C-1	Loss of standing trees and perennial	Trees and perennial crops affected by the	<ul style="list-style-type: none"> <li>• Titled holders or owner with legal</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation at Market</li> </ul>	<ul style="list-style-type: none"> <li>• Cash compensation determined by the Valuation Department will be paid (in</li> </ul>	CEB/Valuation Department/A

Nº	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
	crops	project (People on whose land the trees and perennial crops exist)	<p>right</p> <ul style="list-style-type: none"> <li>• DPs/APs APs with customary land right or government permit holder</li> <li>• Tenant/Lease holders</li> <li>• Non title holders (Informal Settlers/squatters)</li> </ul>	<p>value/replacement cost to be computed with assistance of appropriate department</p> <ul style="list-style-type: none"> <li>• Additional assistance to vulnerable DPs/APs</li> </ul>	<p>determining the compensation; type, age and the productivity of the trees and perennial crops will be taken in to consideration). compensation should pay for lost income, and any re-establishment, for the time taken to re-establish to a similar stage of production</p> <ul style="list-style-type: none"> <li>• DPs/APs will be notified and given 60 days advance notice to harvest crops/fruits and remove trees.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs. equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	<p>griculture Department/Divisional Secretary</p>
<b>D. INCOME AND LIVELIHOOD</b>						
D-1	Loss of employments	People losing employment due to acquisition of properties and project activities	DPs/APs who will lose wage employment in the private enterprises affected due to acquisition of properties	<ul style="list-style-type: none"> <li>• Resettlement Assistance</li> <li>• Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance will be paid to the DPs/APs not exceeding LKR. 20,000/= per month for the period of losing employment subject to a maximum of three month period..</li> <li>• Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Divisional Secretary
D-2	Loss of livelihood (self-employment)	People losing livelihood as a result of displacement due to land acquisition for the project	DPs/APs whose self-employment ventures will be disturbed	<ul style="list-style-type: none"> <li>• Resettlement Assistance</li> <li>• Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance will be paid one time to re-establish the livelihood not exceeding LKR 50,000.</li> <li>• Additional assistance will be paid to vulnerable DPs/APs. equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> <li>•</li> </ul>	CEB/Divisional Secretary

Nº	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
D-3	Loss of livelihood (Sand mining)	Sand mining locations being affected by the Project in hydro power component	DPs/APs who will lose income from sand mining	<ul style="list-style-type: none"> <li>Resettlement Assistance</li> <li>Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>Assistance will be given for alternative source of income opted by the affected sand miners.</li> <li>Payment of cash compensation will be arranged for loss of income for the period from the date on which the sand mining will be disturbed and the start of the new source of income, subject to a maximum of six (06) months as determined by the Divisional Secretary.</li> <li>Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Divisional Secretary
D-4	Loss of livestock husbandry	Places of livestock husbandry affected by the Project	DPs/APs whose livestock husbandry activities are disturbed due to the Project	<ul style="list-style-type: none"> <li>Resettlement Assistance</li> <li>Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>Assistance will be provided for alternative place for livestock husbandry with improved facilities.</li> <li>Additional assistance will be paid to vulnerable DPs/APs equivalent to a minimum lump sum payment of LKR 10,000 to a maximum of LKR 40,000 depending on the vulnerability and impacts</li> </ul>	CEB/Divisional Secretary
<b>E. GOVERNMENT LAND AND PROPERTY</b>						
E-1	Government Property (Loss of Land)	Government property being affected by the projects	Relevant government Department	<ul style="list-style-type: none"> <li>Lump sum compensation as per government rules</li> </ul>	<ul style="list-style-type: none"> <li>Departmental transfer of land</li> </ul>	CEB/Concerned Government Departments/Divisional Secretary

Nº	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
<b>F. COMMON PROPERTY RESOURCES</b>						
F-1	Loss of Community Property Resources (Religious structures, land, Community structures, trust, shrine, tomb etc.)	Community property being affected by the projects	<ul style="list-style-type: none"> <li>Affected community/Government</li> </ul>	<ul style="list-style-type: none"> <li>Conservation, protection, restoration and compensatory replacement</li> </ul>	<ul style="list-style-type: none"> <li>Impacts will be documented and mitigated. Cultural properties will be conserved through special measures such as relocation in consultation with the community.</li> </ul>	CEB/Local Community/ Divisional Secretary
F-2	Loss of Public Utilities	Public utilities affected due to the project (Water, Electricity, Telephone Drainage)	Owners of the public utilities	Conservation, protection, restoration and compensatory replacement	<ul style="list-style-type: none"> <li>Relocation of utilities will be done at proper time</li> </ul>	CEB/Concerned Government Department/ Divisional Secretary
F-3	Infrastructure a) Local roads b) Bridges c) Water points etc.	Public infrastructure being affected by the project	Communities receiving benefits from the infrastructure		<ul style="list-style-type: none"> <li>Restoration will be done by the project in consultation with affected communities.</li> </ul>	CEB/Concerned Government Department/ Divisional Secretary
<b>G. TEMPORARY LOSS (RIGHT OF WAY)</b>						
G-1	Temporary loss of crops during construction and maintenance <sup>10</sup>	All DPs/APs crops on temporary basis during the construction and maintenance of transmission lines	<ul style="list-style-type: none"> <li>Titled holders or owner with legal right</li> <li>DPs/APs APs with customary land right or government permit holder</li> <li>Tenant/Lease</li> </ul>	<ul style="list-style-type: none"> <li>Compensation at market value</li> <li>Additional assistance to vulnerable DPs/APs</li> </ul>	<ul style="list-style-type: none"> <li>Cash Compensation will be paid for the temporary damage of crop under the RoW during the construction or maintenance or repair after the construction. In case there is a need for repair or maintenance of the lines in the future, the EA/IA (CEB) would consult with land owners for access to the land for maintenance and repairs, when necessary, and that the land owners would continue to use the land for</li> </ul>	CEB/ Divisional Secretary/Valuation Department/Agriculture Department

<sup>10</sup> This is specifically referred to construction of transmission and distribution power lines which are usually considered as temporary impact (excluding the tower footing). This is temporary because, disruption is caused during the stringing of lines and during the maintenance. However, post the construction and maintenance activities, the Right of Way (RoW) is usually allowed for same use as the lines pass over the ground with appropriate distance and safety measures.

N°	Type of Losses	Application	Definition of Entitled Persons	Entitlement	Details	Responsible Agency
			holders <ul style="list-style-type: none"> <li>• Non title holders (Informal Settlers/squatters)</li> </ul>		farming activities. <ul style="list-style-type: none"> <li>• Notice to harvest standing crops</li> <li>• Restoration of land to previous or better quality</li> <li>• Additional assistance will be paid to vulnerable DPs/APs.</li> </ul>	
<b>H. ADDITIONAL ASSISTANCE TO VULNERABLE DPS/APS</b>						
H-1	Impacts on vulnerable DPs/APs	<ul style="list-style-type: none"> <li>• Female headed without adult male support</li> <li>• Differently abled people</li> <li>• Elderly (Householders over 60 years of age)</li> <li>• Very poor families</li> <li>• Indigenous Peoples households</li> </ul>	All impacts caused to Vulnerable DPs/APs		<ul style="list-style-type: none"> <li>• Additional assistance will be paid to DPs/APs.</li> <li>• Vulnerable DPs/APs will be given priority in project construction employment where feasible.</li> </ul>	CEB/Divisional Secretary
<b>I. UNANTICIPATED IMPACTS</b>						
I-1	Other Impacts Not Identified	Any unforeseen impacts being caused by the project	Eligible DPs/APs	<ul style="list-style-type: none"> <li>• Compensation and assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Unforeseen impacts will be documented and mitigated based on the principles agreed upon in the RF.</li> </ul>	CEB/Other relevant government departments as required

### III. SOCIOECONOMIC INFORMATION

#### A. Screening Exercise

26. The EA/IA which is CEB in this case, will be responsible for collecting necessary socio-economic details of the DPs and APs. Prior to the collection of detailed socio-economic information and undertaking detailed socio-economic survey, each subproject under the MFF will have to go through a screening exercise which will give some idea about the intensity of impact and accordingly the subproject and each tranche will be categorized for future action. The following checklist will be used to screen subprojects to identify the resettlement impacts of the subprojects:

- Will the subproject require land? What is the quantity of land required?
- What will be the estimated total number of persons affected?
- Will the impact be permanent or temporary (during construction)?
- Who owns the land? How is land currently used?
- If private land, how many landowners/tenants/sharecroppers will be affected?
- If state land, is it subject to traditional claim?
- If state land, are there any squatters or informal settlers?
- What will be the estimated number of squatters?
- Are there any houses, structures, trees and crops that will be affected (whether state or private land)?
- How many households will be physically displaced?
- Is there any public or community infrastructure?
- Will tribal communities be affected?
- What percent of product assets (income generating) will people lose?

27. The EA/IA will be responsible for clearly documenting these answers to these questions in a table format. In addition, the EA/IA will submit to ADB the Involuntary Resettlement Impact Categorization Checklist in **Appendix 2** for each subproject. Based on the screening, the Project will be assigned to one of the following categories depending on the significance of probable involuntary resettlement impacts:

28. **Category A** – A proposed project is classified as Category A if it is likely to have significant involuntary resettlement impacts. A resettlement plan, including an assessment of social impacts, is required.

29. **Category B** – A proposed project is classified as category B if it includes involuntary resettlement impacts that are not deemed significant. A resettlement plan, including assessment of social impacts, is required.

30. **Category C** – A proposed project is classified as Category C if it has no involuntary resettlement impacts. No further action is required.

31. The involuntary resettlement impacts of an ADB-supported project 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 level of detail and comprehensiveness of the resettlement plan will be commensurate with the significance of the potential impacts and risks.

#### B. Detailed Assessment and Survey

32. The EA/IA will conduct socioeconomic survey(s) and a census survey, with appropriate socioeconomic baseline data to identify all persons who will be displaced or affected by the project and to assess the project's socioeconomic impacts on them. This will

be done as after the completion of detailed engineering design and detailed measurement survey. Based on this survey, a social impact assessment will be done which will include potential social impacts, income and livelihood of displaced persons and gender-disaggregated information pertaining to the economic and socio-cultural conditions of displaced persons. The project's potential social impacts and risks will be assessed against the requirements presented in this RF and applicable laws and regulations of the jurisdictions in which the project operates that pertain to involuntary resettlement matters.

33. As part of the social impact assessment, the EA/IA will identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where such individuals and groups are identified, the EA/IA will propose and implement targeted measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in relation to sharing the benefits and opportunities resulting from development.

#### **1. Census Survey:**

34. The purpose of the census is to: (i) register who the potentially displaced/affected persons are; (ii) assess their income and livelihoods; and (iii) inventory of their assets affected due to the project; (iv) gender disaggregated information pertaining to the economic and socio-cultural conditions of DPs/APs and their vulnerabilities. The census will cover 100% of DPs/APs.

#### **2. Inventory of Right of Way for Transmission and Distribution Line:**

35. In addition to census survey, inventory will be carried out to assess the temporary impact on loss of crops, trees and other assets along the line corridor especially in the right of way (RoW). This is being a temporary impact, needs to be assessed following the finalization of line route.

#### **3. Baseline Socio-economic Sample Survey.**

36. The purpose of the baseline socioeconomic sample survey of affected persons is to establish monitoring and evaluation parameters. It will be used as a benchmark for monitoring the socioeconomic status of DPs/APs. The survey will cover 10% of affected persons and 20% of significantly affected persons and may cover samples from the project impact zone. The survey will also collect gender- disaggregated data to address gender issues in resettlement.

#### **4. Cut-off-Date**

37. A Cut-Off-Date will be declared based on the census conducted during detailed design requesting the public not to make any new constructions within the project area. A notification to this effect will be published in three national newspapers in all three languages (Sinhala, Tamil and English). The relevant Local Authorities will be requested, through the concerned Divisional Secretaries to refrain from granting approvals for new constructions within the project area after the Cut-Off-Date.

### **C. Resettlement Plan**

38. The EA/IA will prepare RP for each tranche subprojects, if the proposed project will have land acquisition, involuntary resettlement impacts and temporary impacts. The resettlement plan will be based on the social impact assessment and meaningful consultation with the DPs/APs. The resettlement plan will be prepared based on the results of the census and from information drawn from the baseline socio-economic sample survey. The database

on DPs/APs should be completed before resettlement plan preparation. It will include the results and findings of the census of DPs/APs, and their entitlements to restore losses, institutional mechanisms and schedules, budgets, assessment of feasible income restoration mechanisms, grievance redress mechanisms, and results monitoring mechanisms. Resettlement Plans will comply with the principles outlined in this agreed RF. These will be approved by ADB prior to contract award. Disbursement of compensation payments and entitlements will be made prior to displacement.

39. RP will include measures to ensure that the DPs/APs are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with resettlement alternatives. During the identification of the impacts of resettlement and resettlement planning, and implementation, the EA/IA will pay adequate attention to gender concerns, including specific measures addressing the need of female headed households, gender-inclusive consultation, information disclosure, and grievance mechanisms, to ensure that both men and women receive adequate and appropriate compensation for their lost property and resettlement assistance, if required, as well as assistance to restore and improve their incomes and living standards. The resettlement plan will specify the income and livelihoods restoration strategy, the institutional arrangements, the monitoring and reporting framework, the budget, and the time-bound implementation schedule. An outline of a Resettlement Plan is provided in **Appendix-3**.

40. The information contained in a resettlement plan may sometime be tentative until a census of affected persons has been completed or until the final design is not completed. If a census is not conducted prior to project appraisal and the resettlement plan is based on a sample survey or based on preliminary design, an updated resettlement plan will be prepared based on a census of DPs/APs after the detailed measurement survey has been completed but before any land acquisition for the project. Soon after the completion of engineering designs, the EA/IA will finalize the resettlement plan by completing the census and inventories of loss of assets. At this stage, changes to the resettlement plan take the form of revising the number of displaced persons, the extent of land acquired, the resettlement budget, and the timetable for implementing the resettlement plan. The EA/IA will ensure that the final resettlement plan (i) adequately addresses all involuntary resettlement issues pertaining to the project, (ii) describes specific mitigation measures that will be taken to address the issues, and (iii) ensures the availability of sufficient resources to address the issues satisfactorily.

41. For any of the tranche subprojects where land has already been acquired by the EA/IA prior to ADB's formal intervention, however in anticipation of ADB's funding or for projects involving facilities and/or business activities that already exist or are under construction, the EA/IA will undertake a social due diligence to record the process of land acquisition and resettlement implementation. The EA/IA may conduct an involuntary resettlement audit in accordance with SPS, 2009 to identify past or present concerns related to social impacts. The due diligence or audit report (including corrective action plan, if any) will be a part of the RP of that specific tranche, which will be made available to the public in accordance with the information disclosure requirements of ADB SPS, 2009.

#### **D. Gender Impacts and Mitigation Measures**

42. Women-headed households are considered as vulnerable group as per this RF. Any negative impacts of a subproject on female-headed households will be treated on a priority basis. The resettlement plan will formulate measures to ensure that socio-economic conditions, needs and priorities of women are identified and the process of land acquisition and resettlement does not disadvantage women. It will ensure that gender impacts are adequately addressed and mitigated. Women's focus groups discussions will be conducted to address specific women's issues. During disbursement of compensation and provision of assistance, priority will be given to female-headed households. Special focus will be given to the women group by carrying out separate women group discussions during the project

planning and their concerns will be taken in to consideration for the design and implementation of project. The women group discussion will include their views on possible displacement and resettlement, potential impacts on their socio-cultural setup, any threat related to their safety and integrity during construction due to presence of outside labourers etc, any potential opportunity to involve the women in project activities and special care to be taken by the contractor and the EA/IA during construction activities. Disbursement of compensation should be in the name of both male and female members of the affected households and women will be given awareness training (where needed and if applicable depending on the vulnerability) on the project implementation and necessary mitigation measures to be taken by the EA/IA and contractor. Efforts will be made to assess the need of affected women and possible benefits to the women will be explored by the EA/IA.

#### **E. Negotiated Settlement**

In line with ADB SPS 2009 (Safeguards Requirements 2), this framework does not apply to negotiated settlements. The policy encourages acquisition of land and other assets through a negotiated settlement wherever possible, based on meaningful consultation<sup>11</sup> with affected persons, including those without title to assets. A negotiated settlement will offer adequate and fair price for land and other assets. Also, in case of negotiated settlement, an independent external party<sup>12</sup> will be engaged by the EA/IA to document the negotiation and settlement processes. The principles of this framework with regard to meaningful consultation processes, mechanisms for calculating the replacement costs of land and other assets affected, and record-keeping requirements will be followed during the negotiated settlement. A similar process will be followed for voluntary donation of land, where an external independent entity will supervise and document the consultation process and validate the land donation process as per legal requirement. It will be ensured that Safeguard Requirement-2 is not triggered only in areas where the potential DP has the complete right to refuse acquisition. While a transmission tower could be placed on one parcel of land or the other, as linear infrastructure, complete freedom to refuse displacement is limited by the general alignment. It is suggested that SR2 may apply in all cases covered by the RF. Therefore, Safeguard Requirements- 2 does not apply to negotiated settlements, unless expropriation would result upon the failure of negotiations. Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly. The EA/IA will ensure that any negotiations with displaced persons openly address the risks of asymmetry of information and bargaining power of the parties involved in such transactions.

### **IV CONSULTATION, PARTICIPATION, AND DISCLOSURE**

#### **A. Consultation and Participation**

43. The EA/IA will conduct meaningful consultation with affected persons, their host communities, and civil society for every subproject identified as having involuntary resettlement impacts. Meaningful consultation is a process that: (i) begins early in the project

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<sup>11</sup> A process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) 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 affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

<sup>12</sup> An independent external party is a person not involved in the day-to-day implementation of the project and can include, for example, a local university professor, local NGO representative, etc.

preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) 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 affected people 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 the impacts on affected communities. The consultation process established for the investment program will employ a range of formal and informal consultative methods. Different techniques of consultation with stakeholders are proposed during subproject preparation, such as in-depth interviews, public meetings, group discussions, etc. The EA/IA will pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female headed households, women and children, Indigenous Peoples, and those without legal title to land. Separate focused group consultations will be carried out among the affected women as well as other vulnerable groups during the entire project.

44. The key stakeholders to be consulted (but not limited to) during tranche preparation, resettlement plan implementation and project implementation include:

- Displaced and affected persons and beneficiaries
- Elected representatives, community leaders, and representatives of community based organizations
- Women Group and other vulnerable affected group
- Local NGOs
- Relevant government agency representatives, including authorities responsible for land acquisition and divisional secretary
- Host community
- project proponents especially CEB officials both at PMU and PIU level
- Project Contractor

## **B. Disclosure**

45. The EA/IA will submit the following documents to ADB for disclosure on ADB's website:

- (i) a draft resettlement plan endorsed by the EA/IA before project appraisal;
- (ii) the final resettlement plan endorsed by the EA/IA after the census of affected persons has been completed;
- (iii) a new resettlement plan or an updated resettlement plan, and a corrective action plan prepared during project implementation, if any; and
- (iv) the resettlement monitoring reports.

46. The EA/IA will provide relevant resettlement information, including information from the above mentioned documents in a timely manner, in an accessible place and in a form and language (English/Sinhalese/Tamils) understandable to affected persons and other stakeholders. For illiterate people, suitable other communication methods will be used under each Resettlement Plan depending on the type of illiteracy etc. In case there is no impact and no RP, the EA/IA will make disclosure of the same informing the main villages, habitations, market places along the project area that no land or structure, irrespective of their title will be affected by any activities of this project. The report of this disclosure giving detail of date, location will be shared with ADB. A copy of the Resettlement Plan (s) for each tranche and the Resettlement Framework for whole MFF will be disclosed on the CEB's website and project related websites and will also be available from the PMU and PIU on request. Translated versions of the resettlement planning documents shall be available to the public in Sinhala and

Tamil as well as English. The information will also be made available at public places including the offices of CEB, Divisional Secretary (DS), and Grama Niladhari (GN) offices in the subproject intervention area. The minimum requirement for the disclosure should be the entitlement matrix and its translated version in local language which needs to be disclosed in the form of leaflet and brochure prior to implementation of resettlement plan and prior to disbursement of compensation and assistances.

## **V. COMPENSATION, INCOME RESTORATION AND RELOCATION**

### **A. Valuation of Lost and Affected Assets**

47. The EA/IA will provide adequate and appropriate replacement land and structure where feasible or cash compensation at full replacement value for lost land and structures. Land acquisition and resettlement impacts will be compensated in accordance with the entitlement matrix. As per the policy adopted for this project, all compensation for loss of land structures and other assets will be based on full replacement cost. Replacement cost involves replacing an asset at a cost prevailing at the time of acquisition. This includes fair market value<sup>13</sup>, transaction costs, interest accrued, transitional and restoration costs, and any other applicable payments, if any. Depreciation of assets and structures should not be taken into account in calculating replacement cost. Where there are no active market conditions, replacement cost is equivalent to delivered cost of all building materials, labour cost for construction, and any transaction or relocation costs. Therefore, the calculation of full replacement cost for land and other assets will be 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. The EA/IA will compensate to the non-title holders for the loss of assets other than land, such as dwellings, and also for other improvements to the land, at full replacement cost. The entitlements to the non-titleholders will be given only if they occupied the land or structures in the project area prior to the cut-off- date.

48. The value of land will be based on land surveys for determining the payment of compensation which will be conducted on the basis of updated official records and ground facts. The land records containing information like legal title, and classification of land will be taken into consideration for ensuring adequate cost compensation and allotment of land to the entitled displaced persons. All lands proposed to be acquired under this project will be compensated as per replacement cost and will be paid in cash where land for land option is not possible. Determining the replacement cost will take in to consideration (i) Compensation for land acquired, (ii) compensation for injurious affection and severance, and, (iii) Compensation for disturbance and other losses. Accordingly, a compensation equation can be built as follows.

Compensation = Market value of land acquired + Severance and Injurious Affection to land retained + Disturbance and other losses

49. The valuation will be done by the valuation department as empowered by the divisional secretary once the project is officially approved and land acquisition process starts. Therefore, physical land survey and valuation will be done during the land acquisition process.

50. The value of residential, commercial and other structures will be based on the full replacement cost of damaged structures and other immovable properties/assets which will be

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<sup>13</sup> Market value is the amount of money which can be obtained, for the interest, at a particular time, from persons able and willing to purchase it". In other words, it is the price to be realized for a particular interest in a property in the open market on a particular date.

determined on the basis on market cost of materials to build a replacement structure with an area or quality similar or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site plus any labour and contractor's fee. All costs to be current for the period of actual replacement. Depreciation for structures should not be taken into account as per ADB SPS 2009. In case of structure for structure, it is proposed that the same will be relocated with better condition to a new resettlement site. In case where an alternative structure cannot be provided at all due to unavoidable circumstances, compensation based on replacement cost will be paid without depreciation. The compensation for structure and other immovable properties will be determined on the basis of replacement cost as on date without depreciation and will be paid in cash. CEB through its valuation department will verify replacement value. Replacement cost of structures will be determined in consultation with the owners by assessing the structures by its use and construction type.

51. In case of loss of common resources, structures and facilities as defined in the Entitlement Matrix, the same will be restored or re-installed or access to lost facilities provided at a new place in consultation with the community or appropriate authority which shall be in better condition compared to the previous status. Compensation for trees will also be based on the current market value of timber for timber trees, the annual net product market value multiplied by remaining productive years for perennial and fruit trees. The EA/IA will consult with agriculture department for during the valuation process. For temporary impacts, cash compensation and other entitlements prescribed in the entitlement matrix will be provided to each entitled affected person before taking possession of the land or properties.

## **B. Income Restoration**

52. Each DPs/APs whose income or livelihood is affected by a subproject will be assisted to improve or at least restore it to pre-project level. Income restoration schemes will be designed in consultation with DPs/APs and considering their resource base and existing skills. In case of severe impacts and displacements, CEB will identify the number of eligible APs/DPs based on the 100% census of the affected persons and will conduct training need assessment in consultations with the affected persons so as to develop appropriate income restoration schemes. The EA/IA with support of NGO (if engaged) will examine local employment opportunities and produce a list of possible income restoration options and will try to cover under their Corporate Social Responsibilities (CSR) activities. In addition, the entitlement matrix provides for short-term income restoration activities intended to restore the income of the affected person in the period immediately before and after relocation focusing on relocation, and providing short-term allowances such as: (i) ex-gratia assistance; (ii) shifting assistance, subsistence assistance and additional assistance for vulnerable DPs/APs.

53. The project will implement a well designed income restoration/income enhancement program not merely to restore the lost income but to improve and enhance their current levels of income and thereby to reduce the poverty among the APs. Focus will be given to; DPs/APs losing agricultural land, DPs/APs losing income from homestead gardens, DPs/APs losing income from business, DPs/APs losing wage income and vulnerable group households. The project will explore the possibility of introducing other potential income generating sources which may be more suitable for the DPs/APs. Some of the youth may be trained to be employed according to their skills. However, some of them might prefer to start their own income generating ventures for which they will need finances to meet investment and running costs. Also, some of the DPs/APs who will not opt for training might be willing to engage in different kinds of income generating activities. As part of income restoration, the project will provide opportunity for various temporary employment for skilled and semi skilled laborers during the construction period.

## VI. GRIEVANCE REDRESS MECHANISM

54. ADB procedures require CEB to establish a project specific Grievance Redress Mechanism (GRM) having suitable grievance redress procedure to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances about the social and environmental performance at subproject level. The GRM will aim to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns linked to the project. A common GRM will be in place for social, environmental or any other grievances related to the project. The GRM will provide an accessible and trusted platform for receiving and facilitating resolution of affected persons' grievances related to the project. The multi-tier GRM for the project is outlined below, each tier having time-bound schedules and with responsible persons identified to address grievances and seek appropriate persons' advice at each stage, as required.

55. The grievance mechanism will be scaled to the risks and adverse impacts on social and environment due the subproject type, size, type of area (sensitive area) and impacts. It should address affected people's concerns and complaints promptly, using a transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people at no costs and without retribution. This GRM would consist of a Grievance Redress Committee (GRC) headed by the Project Head. The committee would consist of the following constitution as listed in **Table 7**.

**Table 7: Constitution of Grievance Redress Committee**

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1	Project Head, CEB
2	Division Secretary or their nominee
3	Representative of Gram Niladhari/Council
4	Women representative of village/council
5	Representative of EPC* contractor
6	Environment Officer at PMU or nominee
7	PIU head of CEB at project site

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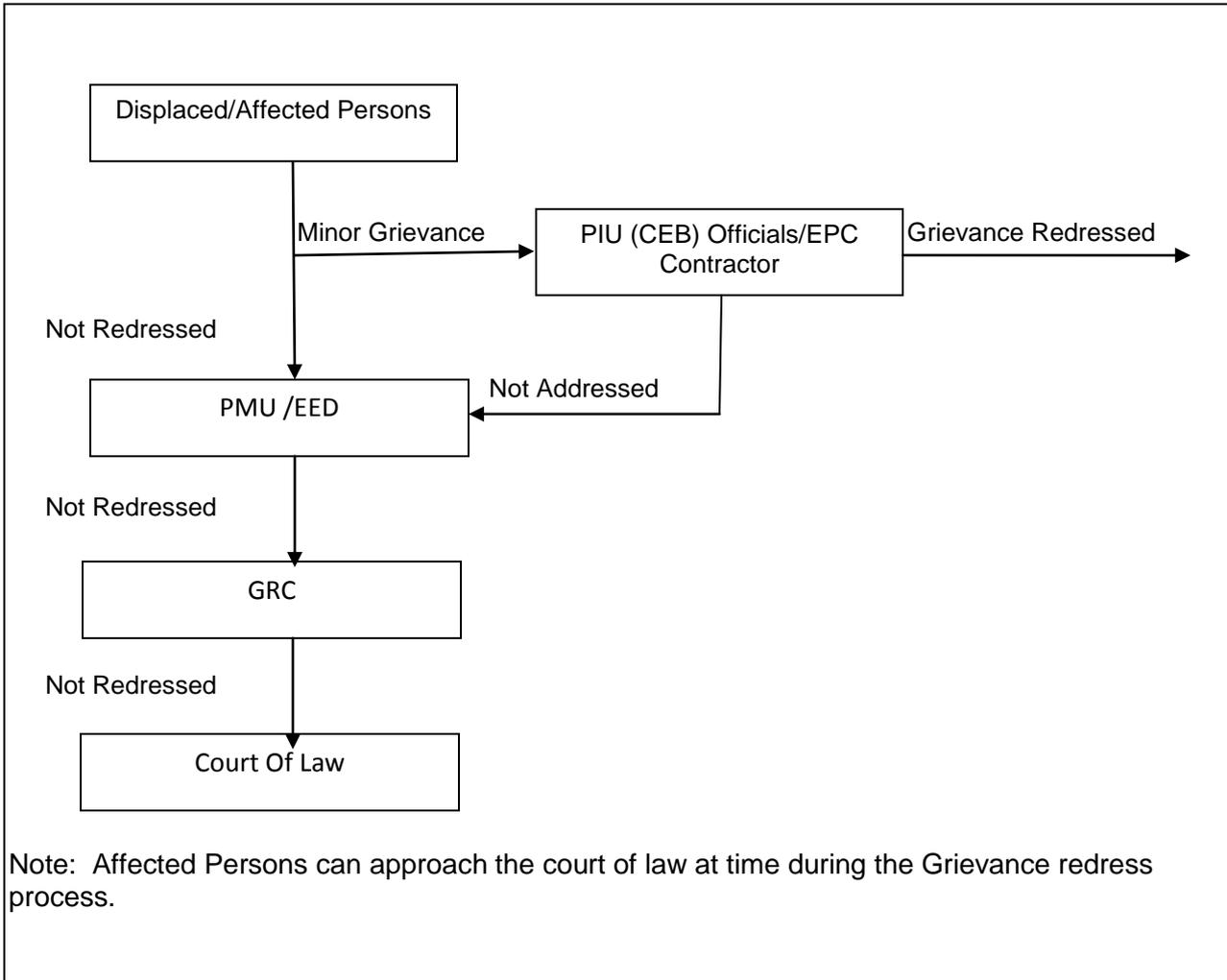
\* (EPC) - Engineering, Procurement and Construction Contractor

56. This Grievance Redress Mechanism (GRM) would provide an effective approach for resolution of complaints and issues of the affected person/community. Project Management Unit (PMU) shall formulate procedures for implementing the GRM, while the PIUs shall undertake GRM's initiatives that include procedures of taking/recording complaints, handling of on-the-spot resolution of minor problems, taking care of complainants and provisions of responses to distressed stakeholders etc. paying particular attention to the impacts on vulnerable groups. Regarding social safeguards, the main responsibilities of the GRC will be to: (i) provide support to DPs/APs on problems arising from land/property acquisition; (ii) record DP/AP grievances, categorise, and prioritise grievances and resolve them; (iii) immediately inform the EA/IA of serious cases; and (iv) report to DPs/APs on developments regarding their grievances and the decisions of the GRC and the PIU. Other than disputes relating to ownership rights under the court of law, GRC will review grievances involving all resettlement benefits, compensation, relocation, replacement cost and other assistance.

57. Grievances of affected persons (APs) will first be brought to the attention of the Project head of the PIU and EPC contractor. Grievances not redressed by the PIU within 30 days will be brought to the PMU and its Energy and Environment Division (EED). Grievance not redressed by the PMU within 30 days will be brought to the Grievance Redress Committee (GRC) set up to monitor subproject Implementation for each subproject affected area. The GRC will determine the merit of each grievance, and resolve grievances within an outer time limit of three months of receiving the complaint. The proposed mechanism does not impede access to the country's judicial or administrative remedies. The AP has the right to refer the grievances to appropriate courts of law if not satisfied with the redress at any stage of the process. Therefore, DPs/APs need not use the GRM but can access the courts at any stage if they wish to choose.

58. The PIU will keep records of all grievances received including: contact details of complainant, date that the complaint was received, nature of grievance, agreed corrective actions and the date these were effected, and final outcome. The process and procedure of GRM will be communicated to the DPs/APs through awareness program and through public consultations in the project area. The flow chart showing Grievance Redress Mechanism is presented in **Figure 1**.

**Figure-1: Grievance Redress Mechanism**



**VII. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION SCHEDULE**

**A. Institutional Arrangements**

59. Government of Sri Lanka’s (GoSL) Ministry of Power and Energy (MoPE) is the Executing Agency (EA) for overall coordination, whereas Ceylon Electricity Board (CEB) is also the EA and Implementing Agency (IA) for the hydro, transmission and distribution components. According to the National Environmental Act (NEA), there exists a mandatory requirement to obtain the environmental clearance from the Central Environmental Authority or a Project Approving Agency (PAA) which is authorised under the NEA for any kind of power plants and Transmission lines over 33 kV. The Ministry of Environment designates the Ministry of Power and Energy as PAA as per the NEA. Therefore, MoPE has established an environment cell in the Planning Division to implement the requirements of NEA. CEB has set

up an Energy and Environment Division (EED) for dealing with environment and issues at the corporate level to monitor and implement environmental and social good practices.

## 1. Project Management Unit (PMU)

60. The PMU will be responsible for overseeing sub-project compliance with social safeguard requirements based on the RF provisions that include: (i) sub-project selection taking into account social screening criteria; (ii) sub-project social assessments prepared in accordance with the requirements set out in this RF; (iii) appropriate public consultations and disclosures; and (iv) effective management of the grievance redress mechanism. The PMU structure is shown in **Figure 2**. The PMU head will be responsible for coordinating all external functions with ADB and MoPE as well as coordinates the internal functions for coordination of environment and social safeguard reporting, legal, finance and accounts, PIU monitoring and reporting.

61. PMU has designated Environment Officer of EED who has oversight responsibilities for monitoring for all sub-projects in areas such as Environment and Social safeguards. To assist EED in these specialist functions, CEB will hire appropriate Environment and Social Consultants at PIU level, as deemed necessary or as stipulated by CEA's environmental clearance to assist EED in day-to-day coordination and reporting for various subproject activities. The duties of the EED will include at a minimum: (i) oversight of field offices and construction contractors for monitoring and implementing safeguards mitigation measures; (ii) liaising with the field offices and contractors and seeking their help to solve the safeguard-related issues of subproject implementation; and (iii). EED must coordinate with PIUs for monitoring as well as designing appropriate mitigation measures to address environmental and social issues. PMU may also be assisted by project management consultant (PMC) for implementation. If required, an NGO may be hired to assist the PMU and PIU for implementation of social safeguards activities, for category 'A' tranche subprojects which is considered to be highly sensitive and having significant social safeguard impacts. However, hiring of implementing NGO is subject to the decision of CEB and its PMU/PIU.

## 2. Project Implementation Unit

62. The PMU shall implement the ADB loan at the corporate level and the PMU will be supported for implementation activities through the CEB field offices/ Project Implementing Units (PIUs). Separate PIUs will be created for hydro, transmission and distribution components. The PIU/field offices of CEB will assume primary responsibility for the social assessment as well as implementation of RPs in consultation with EED. The PIU/Project Head will be assisted by the EED. The PIU/field offices of CEB will have overall responsibility to manage the site activities. Project Implementation Units (PIUs), including experienced staff and headed by senior officers will be set up in CEB to undertake day-to-day project planning and implementation activities. Full-time project managers with qualified staff will be appointed to supervise sub-projects under each component. The PIUs will be responsible for overall project planning and implementation, including procurement, accounting, quality assurance, social and environmental issues and coordination with concerned agencies. For the land acquisition and implementation of RP, PIU at CEB will take the overall responsibility with due coordination from the relevant govern ministry and department such as Ministry of Land and Land Development (MLLD) and Divisional Secretary (DS). Details on the institutional roles and responsibilities related to land acquisition and resettlement activities are described in **Table 8**.

**Table 8: Institutional Roles and Responsibilities for Resettlement Activities**

Activity	Responsible Agency
<b>Sub-Project Initiation Stage and institutional setup</b>	
Establishing PMU	CEB/MoPE
Establishing PIU	CEB/PMU
Hiring of Project Management Safeguard Consultant at PMU	CEB/PMU
Hiring of implementing NGO (if required)	CEB/PMU

Activity	Responsible Agency
<b>RP Preparation and Updating Stage</b>	
Finalization of sites for sub-projects	CEB/PMU/PIU
Disclosure of proposed land acquisition and sub-project details by issuing Public Notice	CE B/PMU/PIU/EED
Conducting Census and social surveys of all APs	CEB/PIU
Conducting consultations	CEB/PMU/PIU/EED
Preparation of RP	CEB/PMU/PIU/EED
Approval of RP	CEB/ADB
Disclosure of RP	CEB/ADB
Updation of RP based on detailed and final design	CEB/PIU/EED/Consultant
Approval of updated RP	CEB/ADB
Disclosure of updated RP	CEB/ADB
<b>RP Implementation Stage</b>	
Fixing the compensation value	CEB/PMU/PIU/MLLD/Divisional Secretary and other relevant government department
Payment of compensation and Assistance	CEB/PMU/PIU/
Taking possession of land	CEB/MoPE
Implementation of proposed rehabilitation measures	CEB/PMU/PIU/NGO
Grievances Redressal	CEB/PMU/PIU/EED/GRC
Internal monitoring	CEB/PMU/PIU/NGO
External monitoring <sup>14</sup>	External Agency

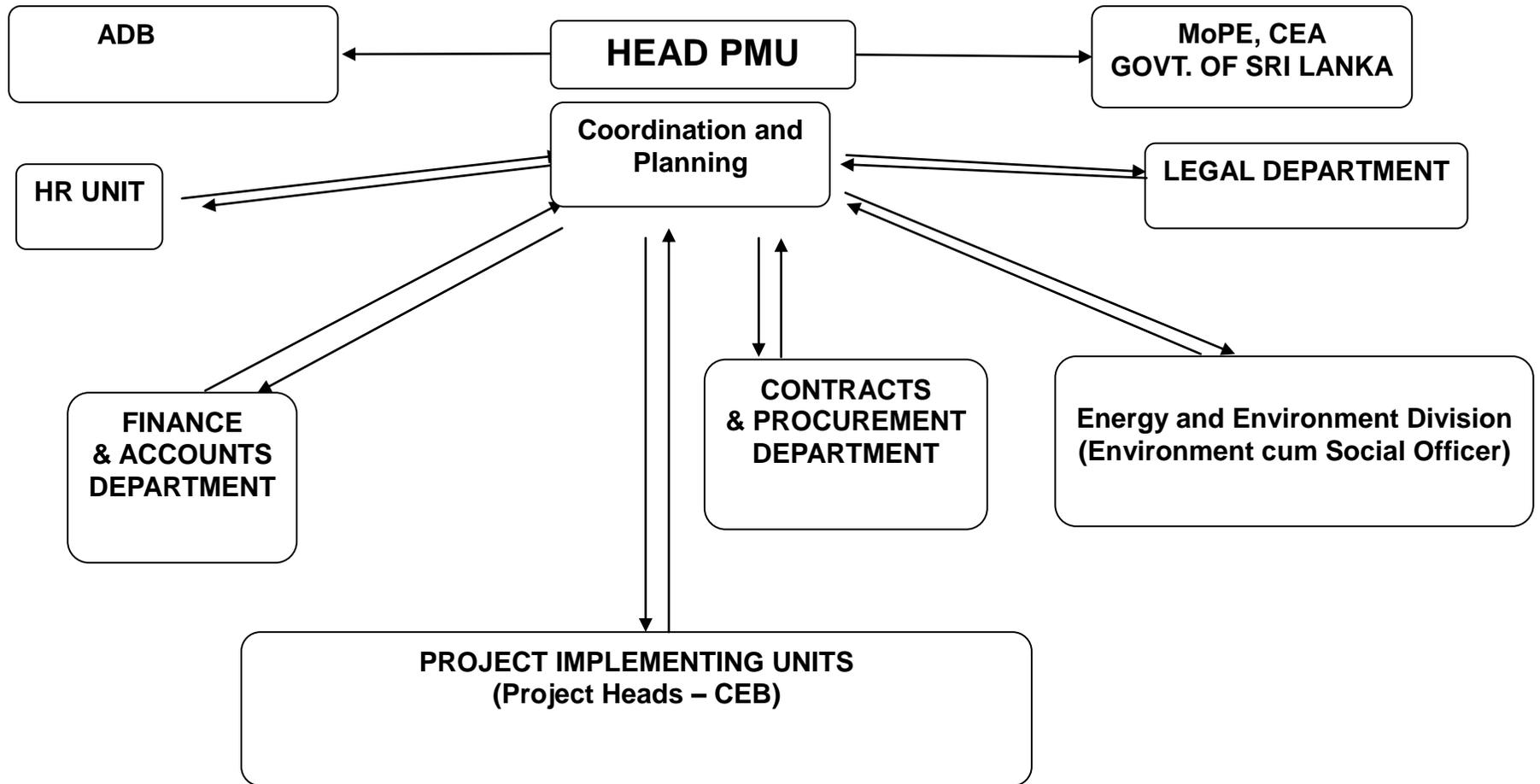
ADB-Asian Development Bank, AP-affected person, CEB- Ceylone Electricity Board, EED= Energy and Environment Division FGD-focus group discussion, GRC-Grievance Redress Committee, MLLD = Ministry of Land and land Development, NGO-Non Government Organization, PIU- Project Implementation Unit, PMU- Project Management Unit, RP-Resettlement Plan,

### 3. Institutional Capacity Development

63. CEB has ongoing ADB-financed projects and will use the existing project management structure complemented by additional staff dedicated exclusively to implementation of the Project. Keeping in view enhancing the planning implementation, environment and social safeguard skills at the PIU level, PIU staff shall be sent for capacity building training programs periodically by ADB and others in consultation with EED. These trainings will be identified by PMU in consultation with ADB. During preparation of RP, CEB shall allocate more staff to its PIU to deal with safeguard issues especially resettlement and these dedicated staff will work closely with project consultant and will be involved as prime stakeholder.

<sup>14</sup> External monitoring is required for significant IR impact especially for category A project.

FIGURE 2: PMU STRUCTURE AT CEB



## B. Implementation Schedule

64. The MFF and the investment program will be implemented over 7 years of time. The RP implementation schedule will vary from subproject to subproject. In general, the project implementation will consist of the three major phases, namely project preparation, land acquisition and rehabilitation of DPs/APs. In line with the principles laid down in this RF, the EA/IA will ensure that project activities are synchronized between the resettlement plan implementation activities as well as the subproject implementation. The EA/IA will ensure that no physical/or economic displacement of affected households will occur until: (i) compensation at full replacement cost has been paid to each displaced person for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan are provided to the DPs/APs; and (iii) a comprehensive income and livelihood rehabilitation program, supported by adequate budget, is in place to help displaced persons, improve, or at least restore, their incomes and livelihoods. Furthermore, all RPs will be revised and finalized during detailed design, and ADB will clear all RPs prior to contract award. All land required will be provided free of encumbrances to the contractor prior to handing over of sub-project sites and the start of civil works. The implementation of each tranche RP will include: (i) identification of cut-off-date and notification, (ii) verification of losses and extent of impacts, (iii) finalization of entitlements and distribution of identity cards, (iv) consultations with DPs/APs on their needs and priorities, and (v) resettlement, provision of compensation and assistance and its disbursement, and income restoration for DPs/APs.

## VIII. BUDGET AND FINANCING

65. Detailed budget estimates for land acquisition and involuntary resettlement will be prepared for each RP, by the EA/IA (CEB) with the help from PIU and PMU which will be included in the overall subproject estimate. The budget will include i) detailed costs of land acquisition, assistance, relocation, and livelihood, income restoration and administrative cost, ii) source of funding, iii) arrangements for approval, and the flow of funds and contingency arrangements. All land acquisition funds will be provided by the EA/IA. All land acquisition, compensation, assistance, relocation and rehabilitation of income and livelihood will be considered as an integral component of project costs. The EA/IA will deposit the money to the concerned department for the disbursement of compensation to the affected people for land acquisition and resettlement. However, in the case of assistance and other rehabilitation measures, the EA/IA through their PIU and PMU will directly pay the money or any other assistance as stated in the resettlement plan to DPs/APs by means of a cheque payment into their individual accounts. The EA/IA will keep provisional money out of its annual plan including contingency for the resettlement cost and this provisional amount will be planned at the early stage of their annual plan so that the resettlement process won't get delayed. Each tranche RP will have a table on resettlement cost. A sample resettlement budget format is given in **Table-9**

**Table-9: Sample Table: Resettlement Budget**

Sl. No.	Item	Unit	Rate per Unit (LKR)	Quantity	Cost (LKR)
<b>A</b>	<b>Compensation</b>				
1	Compensation for private agricultural Land	Hectare			
2	Compensation of residential land	Hectare			
3	Compensation for commercial land	Hectare			
4	Compensation for Trees				
5	(i) Type of trees	Number			

Sl. No.	Item	Unit	Rate per Unit (LKR)	Quantity	Cost (LKR)
6	(ii) Type of Trees	Number			
7	(iii) Type of Trees	Number			
8	(iii) Type of Trees	Number			
9	Compensation for crops	Hectare			
10	Compensation for Structure				
	(i) Residential	square meter			
	(ii) Commercial	square meter			
	(iii) Common Property Resources	square meter			
	(iii) Others	square meter			
	<b>Sub Total A</b>				
<b>B</b>	<b>Assistance</b>				
1	Documentation fees /tax	Lump sum			
2	Transitional Allowance	Lump sum			
3	Shifting Allowance	Lump sum			
4	Assistance to loss of business	Lump sum			
5	Assistance for loss of employment	lump sum			
6	Assistance for vulnerable groups	Lump sum			
7	Other Assistance	Lump sum			
	<b>Sub Total B</b>				
<b>C</b>	<b>Support Cost for RP Implementation</b>				
1	Resettlement Specialist (consultant)	person month			
2	Monitoring Expert	Lump sum			
3	Implementing NGO cost	Lump sum			
4	GRM	Lump sum			
5	Consultations	Lump sum			
6	Miscellaneous Administrative Cost	Lump sum			
	<b>Sub Total C</b>				
<b>D</b>	<b>Other Cost</b>				
1	Community Development and other CSR	Lump sum			
	<b>Sub Total D</b>				
	<b>Total Cost (A+B+C+D)</b>				
	<b>Contingency @10 % of the total R&amp;R Cost</b>				
	<b>Grand Total</b>				
	<b>Grand Total in Million LKR</b>				
	<b>Grand Total in Million US\$</b>				

## IX. MONITORING AND REPORTING

66. Monitoring will be the responsibility of the EA/IA (CEB). The implementation of RP will be closely monitored. Regular monitoring activities will be carried out internally by PMU, PIU and the Project Management Consultant (PMC). RP implementation will be closely monitored by the EA, IA through its PIU and PMU. The PIU and PMU will provide ADB with an effective basis for assessing resettlement progress and identifying potential difficulties and problems. The extent of monitoring activities, including their scope and periodicity, will be commensurate with the project's risks and impacts. Monitoring will involve (i) administrative monitoring to ensure that implementation is on schedule and problems are dealt with on a timely basis; (ii) socio-economic monitoring during and after any resettlement impact utilizing baseline information established through the socio-economic survey undertaken during project sub-preparation; and (iii) overall monitoring to assess status of

affected persons. The EA/IA is required to implement safeguard measures and relevant safeguard plans, as provided in the legal agreements, and to submit semiannual monitoring reports on their implementation performance. The EA/IA through its PIU, PMU and PMC will (i) monitor the progress of implementation of safeguard plans, (ii) verify the compliance with safeguard measures and their progress toward intended outcomes, (iii) document and disclose monitoring results and identify necessary corrective and preventive actions in the periodic monitoring reports, (iv) follow up on these actions to ensure progress toward the desired outcomes, and (v) submit semiannual monitoring reports on safeguard measures as agreed with ADB.

67. Monitoring will include daily planning, implementation, feedback and trouble shooting, individual affected person file maintenance, community relationships, dates for consultations, number of appeals placed and progress reports. The EA/IA through its PIU and PMU will be responsible for managing and maintaining DPs/APs databases, documenting the results of the affected person census. Monitoring reports documenting progress on resettlement implementation and resettlement plan completion reports will be provided by EA/IA through its PMU to ADB for review. The monitoring reports will be posted to ADB website.

68. In case of significant IR impact, the EA/IA (CEB) will engage the services of an independent agency or consultant, not associated with project implementation, to undertake external monitoring. The external monitor will monitor and verify RP implementation to determine whether resettlement goals have been achieved, livelihood and living standards have been restored, and provide recommendations for improvement. The external monitor will also evaluate the performance of the PMU, PIU, and implementing NGO (if already engaged) related to resettlement issues. The external agency will report its findings simultaneously to the EA/IA/PMU and to ADB twice a year. Additionally, ADB will monitor projects on an ongoing basis until a project completion report is issued.

69. The external monitor(s) shall submit independent monitoring and appraisal reports of the resettlement plan implementation. At any of these stages, if any significant issues are identified, a corrective action plan will be prepared to address such issues by the concerned PIU and PMU and submitted to the ADB. In addition, the external monitor shall document the good practices as well as the difficulties encountered in resettlement plan implementation, which shall provide lessons on the subject for subsequent projects. A sample monitoring format is described briefly in **Appendix-4** which needs to be elaborated during the implementation stage. Monitoring report will be submitted semi- annually to ADB and the same will be disclosed on CEB's website and ADB's website.

**APPENDIX-1: COMPARISON OF ADB'S SPS-2009 WITH LAA-1950 AND NIRP-2007**

<b>Sl. No.</b>	<b>ADB's Involuntary Resettlement Policy Principles (2009)</b>	<b>National Involuntary Resettlement Policy 2001 (NIRP)</b>	<b>Land Acquisition Act 1950 along with Amendments by 2009</b>	<b>Remarks</b>
1	Involuntary resettlement should be avoided wherever possible	This principle is equally emphasised under NIRP 2001	No such objective is outlined	NIRP 2001 meets ADB IR Policy requirements
2	Minimise involuntary resettlement by exploring project and design alternatives	NIRP 2001 aims to minimise displacement and to promote, as far as possible, non-displacing or least-displacing alternatives	No such objective is outlined	NIRP 2001 meets ADB IR Policy requirements
3	Conducting census of displaced persons and resettlement planning	Preparation of inventory of loses including people and their properties and preparation of re-settlement implementation plan were out lined under NIRP 2001	No provision or procedure specified.	NIRP 2001 meets ADB IR Policy requirements
4	Carry out meaningful consultation with displaced persons and ensure their participation in planning, implementation and monitoring of resettlement program	NIRP 2001 ensure adequate rehabilitation package and expeditious implementation of the rehabilitation process with the consultation and active participation of the affected families	No provision made	NRIRP 2001 meets ADB IR Policy requirements
5	Establish grievance redress mechanism	Project involving involuntary resettlement needs to have Grievance redress mechanisms for affected people	No provision made	NIRP 2001 meets ADB IR Policy requirements
6	Support the social and cultural institutions of displaced persons and their host population.	Restoration and rehabilitation of social and cultural institutions should be provided and same facilities should be given to host families under NIRP 2001	No provision made	NIRP 2001 meets ADB IR Policy requirements
7	Improve or at least restore the livelihoods of all displaced persons	NIRP 2001 emphasises the same	No provision made	NIRP 2001 meets ADB IR Policy.
8	Land based resettlement strategy	Loss of asset to be compensated to the extent of actual loss	No provision made	NIRP 2001 meets ADB IR Policy.
9	All compensation should be based on the principle of replacement cost	The compensation award shall take into account the market value of the property being acquired	Market value for land and replacement value for structures should be paid according to the regulation no.1596/12 Dated 07/04/2009 of land acquisition act	NIRP 2001 meets ADB IR Policy requirements. This requirement also meets under regulation no.1596/12 07/04/2009 of land acquisition act
10	Provide relocation assistance to displaced persons	NRRP 2007 emphasises the same	In case of loss of land and structures only compensation should	NIRP 2001 meets ADB IR Policy. Part of this

Sl. No.	ADB's Involuntary Resettlement Policy Principles (2009)	National Involuntary Resettlement Policy 2001 (NIRP)	Land Acquisition Act 1950 along with Amendments by 2009	Remarks
			be paid	requirement provided under regulation no.1596/12 of 07/04/2009
11	Ensure that displaced persons without titles to land or any recognisable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.	NIRP 2001 also recognises the non-titleholders to provide same benefits as others	No provision made	NIRP 2001 meets ADB IR Policy requirements.
12	Disclose the resettlement plan, including documentation of the consultation in an accessible place and a form and language(s) understandable to affected persons and other stakeholders.	NIRP 2001 ensure this principle	No provision made	NIRP 2001 meets ADB IR Policy requirements
13	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.	NIRP 2001 emphasises to integrate rehabilitation concerns into the development planning and implementation process	No provision made	NIRP 2001 meets ADB IR Policy requirements
14	Pay compensation and provide other resettlement entitlements before physical or economic displacement.	Full payment of compensation as well as adequate progress in resettlement shall be ensured in advance of the actual displacement of the affected families.	No provision made. There is a provision under LAA under emergency situations land and property can be taken over for development projects without paying compensation before displaced the people under 38A of the act The compensation pays in later stage for such cases	NIRP 2001 meets ADB IR Policy requirements
15	Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons.	The policy equally emphasises the requirement for monitoring	No provision made	NIRP 2001 meets ADB IR Policy requirements

**APPENDIX-2: INVOLUNTARY RESETTLEMENT IMPACT CATEGORIZATION CHECKLIST**

<b>Probable Involuntary Resettlement Effects</b>	<b>Yes</b>	<b>No</b>	<b>Not Known</b>	<b>Remarks</b>
<b>Involuntary Acquisition of Land</b>				
1. Will there be land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
<b>Involuntary restrictions on land use or on access to legally designated parks and protected areas</b>				
10. Will people lose access to natural resources, communal facilities and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
<b>Information on Displaced Persons:</b>				
Any estimate of the likely number of persons that will be displaced by the Project? If yes, approximately how many?				<input type="checkbox"/> No <input type="checkbox"/> Yes
Are any of them poor, female-heads of households, or vulnerable to poverty risks?				<input type="checkbox"/> No <input type="checkbox"/> Yes
Are any displaced persons from indigenous or ethnic minority groups?				<input type="checkbox"/> No <input type="checkbox"/> Yes

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

## APPENDIX 3: OUTLINE OF RESETTLEMENT PLAN

1. The comprehensiveness of a resettlement plan would be according to the potential involuntary resettlement impacts/ risks and size of the project. The resettlement plan must adequately address all involuntary resettlement issues pertaining to the project, describes specific mitigation measures that will be taken to address the issues and outlines institutional requirement and resources required to implementation of the RP. The following outline of RP is suggested for the present project.

### **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. Methodology for Impact Assessment**

5. This section outlines the methodology and tools adopted for:

- (i) resettlement screening
- (ii) land acquisition planning
- (iii) socioeconomic survey
- (iv) census survey or inventory of assets and livelihood loss
- (v) consultation with stakeholders

### **E. Socioeconomic Information and Profile**

6. 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.

## **F. Stakeholders Consultation and Participation**

7. 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) 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; and
  - (iv) describes the process for consultation with affected persons during project implementation.

## **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:

- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) provides timetables for site preparation and transfer;
- (iv) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and
- (vii) explains how integration with host populations will be carried out.

## **J. Income Restoration and Rehabilitation**

11. 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**

12. 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. Information Disclosure**

13. This section:
- (i) describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;

- (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) during project implementation.

#### **M. Grievance Redress Mechanisms**

14. 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.

#### **N. Institutional Arrangements**

15. 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,

#### **O. Implementation Schedule**

16. 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.

#### **P. Monitoring and Reporting**

17. 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.

## APPENDIX-4: SAMPLE MONITORING AND STATUS REPORT

S. N.	R&R Activities	Progress	Remarks
<b>Pre Construction Activities and R&amp;R Activities</b>			
1	Assessment of Resettlement impacts due to changes in project design (If required)		
2	Preparation/ updating of Resettlement Plan based on changes in project design		
3	Approval of updated Resettlement Plan from ADB		
4	Disclosure of updated Resettlement Plan		
5	Establishment of Grievance Redressal Committee		
<b>Resettlement Plan Implementation</b>			
1	Payment of Compensation as per replacement value of land & assets to APs where applicable		
2	Disbursement of assistance to title holders		
3	Disbursement of assistance to non-title holders		
4	Disbursement of special assistance to Vulnerable groups		
5	Replacement/ shifting of community property resources		
6	Reinstallation of public utilities		
7	Records of Grievance Redressal		
8	Compensation for temporary loss of crop		
<b>Social Measures during Construction as per Contract Provisions</b>			
1	Prohibition of employment or use of children as labour		
2	Prohibition of Forced or Compulsory Labour		
3	Ensure equal pay for equal work to both men and women		
4	Implementation of all statutory provisions on labour like health, safety, welfare, sanitation, and working conditions		
5	Maintenance of employment records of workers		