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ILLER BANK

SUSTAINABLE CITIES PROJECT

Land Acquisition & Resettlement Policy Framework (LARPF)

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1. Objective of the Land Acquisition & Resettlement Policy Framework

The procedures presented in this Land Acquisition & Resettlement Policy Framework (LARPF) detail actions, which will be taken to ensure the compliance with Turkish Legislation and Procedures (Turkish Legislation listed below) and the World Bank (WB) Policies and Procedures as specified in the World Bank Operational Policy OP/BP 4.12 on Involuntary Resettlement for the Sustainable Cities Project (SCP) to be implemented by Iller Bank.

According to OP 4.12, sub-projects identified before appraisal that involve land acquisition or resettlement require the preparation of Land Acquisition and Resettlement Action Plans (LARAPs) that detail the preparation and implementation arrangements for the involuntary land acquisition and resettlement impacts. When sub-projects cannot be identified before appraisal, OP 4.12 requires the preparation of a LARPF instead. Under the SCP, at this point, exact sub-projects and locations have not been identified yet. As a result, in accordance with World Bank’s Operational Policy OP 4.12 this LARPF has been prepared.

This LARPF clarifies resettlement principles to be applied during implementation and the organizational arrangements for preparing LARAPs for each of the sub-projects. The LARPF lays out the principles for resettlement and the institutional arrangements for the municipalities to prepare LARAPs for the sub-projects. The LARPF also includes arrangements for Iller Bank to supervise LARAP preparation and implementation and to ensure consistency with OP 4.12.

LARAP or Abbreviated Land Acquisition and Resettlement Action Plan (ALARAP)¹ depending on the magnitude of impacts, is required for any land acquisition and/or resettlement carried out by a Municipality or Municipal Water and Wastewater Utility after the LARPF has been approved. This is regardless of when the corresponding sub-loan agreement is signed. The plan will be submitted to Iller Bank for initial review and clearance. After Iller Bank clears, it will submit the plan to review and approval by the World Bank. The Municipality or Municipal Utility Company is responsible for the implementation of the plan; Iller Bank is responsible for the supervision of the implementation of the plan; and the World Bank will ensure compliance in implementation through selective supervision. The plan should be completed, disclosed and fully implemented before the construction starts on the site. The outline of LARAP is given in Annex 2 and the outline of the ALARAP is given in Annex 3.

OP 4.12 also applies if land was acquired in anticipation of or in preparation for a project and the land is directly linked to the WB project. If land acquisition procedures were completed at the time this LARPF is approved, a retroactive Audit Report (Reporting format is given in Annex 1) will be prepared by the Administration (Municipality or Municipal Water and Wastewater Utility) and submitted to Iller Bank to be submitted to the Bank to ensure that land acquisition was completed in accordance with the objectives and principles of OP 4.12.

All land acquisition and resettlement activities under the Sustainable Cities Project will be subject to the terms and provisions of the LARPF. Prior to appraisal of the project, Municipality or Municipal Water and Wastewater Utility will inform potentially affected persons through

¹ OP 4.12 states that “Where impacts on the entire displaced population are minor (if the affected people are not physically displaced and less than 10% of their productive assets are lost), or fewer than 200 people are displaced, an Abbreviated resettlement plan may be agreed with the borrower.”

dissemination of the LARPF on line and through holding public consultations as described in the LARPF.

2. Project Description & Components

Iller Bank (Turkey's Bank of Provinces) and The World Bank (WB) designed the Sustainable Cities Project (SCP) to establish a support mechanism for participating second tier Metropolitan Municipalities (MM) to plan and invest in a sustainable future. The SCP will establish a support system for developing cities to identify, prepare and finance bankable investments and enhance city planning capacities aimed at supporting this objective. The investments carried out through the SCP will adhere to both the Republic of Turkey Environmental Regulations and the World Bank Safeguard Policies. In order to do so, the Iller Bank will act as the financial intermediary to ensure that related WB policies and procedures are followed after the Municipality / Utility ensure that all Turkish environmental approvals, licenses and permits have been secured.

Previously, the WB has financed a similar project called the Municipal Services Project (MSP), through the Iller Bank. Heretofore the MSP successfully provided financing in three specific areas, including water supply, wastewater and solid waste investments for 12 participating municipalities and 2 water utilities. In this respect, the SCP will be a second generation operation that supports up to eight eligible municipalities, while targeting the same investment priority areas, as well as emerging investments needs in urban transport and energy efficiency. This second generation operation will provide a more dedicated focus to urban planning systems, recognizing the importance of urban planning to the sustainability of Turkey's cities.

The primary objective of the Sustainable Cities Project (SCP) is for participating metropolitan municipalities to incrementally improve their environmental, financial/economic and social sustainability. Sustainability measures include: reducing unaccounted for water losses by water utilities, decreasing the discharge of untreated wastewater into the environment, reducing electricity consumption through energy efficiency improvements, lowering traffic congestion, air pollution and carbon emissions by improving public transport and increased options for pedestrian mobility, strengthening municipal finances and financial planning, and expanding social participation and services to those parts of the province that do not benefit from network services.

SCP will feature three Components as follows:

Component A: Sustainable City Planning and Management Systems

This component, with an indicative grant financing amount of EUR 25 million (subject to EU approval of an IPA2 funding request) will provide financing for Metropolitan Municipality technical assistance needs to improve planning tools and practices. Technical assistance will support *inter alia*, land use planning at different scales, transport master planning using the sustainable urban mobility planning (SUMP) approach, energy efficiency and renewable energy planning, strategic environmental assessments (SEA) and other measures within an Integrated

Metropolitan Municipality Planning Framework. This will include support for preparing a Provincial Territorial Plan (1:25,000 scale), which is a requirement of new Metropolitan Municipalities for the first time. Planning support will be provided as well, where there is need and demand, for an update of the Master Plan (1:1,000 scales), an urban transport master plan, a strategic environmental assessment, among other planning tools. For municipalities seeking to update their systems for monitoring infrastructure services, a fully-developed GIS will be prepared. A multiyear Capital Investment Plan (CIP) would also be prepared, reflecting investment needs in accordance with land use planning in the master plan. Public consultations will take place within all phases of the planning work to promote civic engagement and social sustainability.

The potential environmental and social impacts of the planning component will be covered under the Environmental and Social Management Framework for the Project.

Component B: Municipal Investments

This component, with an indicative financing amount of US\$ 300 million (World Bank and AFD financing²), will provide support for infrastructure service investments to participating metropolitan municipalities. Eligible expenditures under this component will be for municipal water, wastewater, solid waste, urban transport, and energy efficiency/renewable energy investments. The Project will also help cities to use evidence-based methods³ to identify investment priorities that promote their sustainability and to monitor and track improvements over time.

Component C: Project Management and Institutional Capacity Building

This component, with an indicative financing amount of US\$1 million, will cover the costs of overall Project implementation including outsourcing by Iller Bank for consulting services. The Component would also support Iller Bank in equipping and strengthening its new units for urban transport and energy efficiency as needed. Iller Bank may also seek to use some financing for internal staff training, capacity building, and system development in the desired areas.

Potential Investment Fields

Field	Objective/ Scope
Water	Upgrading, rehabilitating and expanding of water supply systems to accompany urban growth and redevelopment.
Wastewater	Expanding and rehabilitating collection networks, to ensure sewerage coverage in developing urban areas; separation of sewerage and storm water drainage networks as appropriate, investing in new wastewater treatment capacity, including for sludge management, in pursuit of environmental policy objectives.
Solid Waste	Integrated solid waste management systems, including transfer, sorting, recycling and disposal (e.g. landfill development)

²AFD (Agence Francaise de Developpement) is a potential co-financier of the project with up to EUR 150 million additional co financing, depending on municipal demand. The Bank’s Safeguard policies will apply to all SCP investments under an envisioned joint co-financing from AFD.

³ Evidence-based methods include collection of baseline performance data on energy efficiency, water and wastewater services, etc. and agreeing on performance target improvements against appropriate benchmarks.

Urban Transport	Financing to support public transit systems (Bus Rapid Transit, zero-emission Trolley Buses) parking facilities, transport system management improvements, pedestrianization (improved or expanded walking or bike paths and sidewalks)
Energy Efficiency & Renewable Energy	Energy efficient systems in urban transport and municipal infrastructure systems; energy efficient buildings, solar fields, geothermal heating of buildings.

Land acquisition and resettlement impacts under the project are expected to be entirely under Component B. The project will include municipal investments for urban infrastructure under Component B which will have temporary and permanent land acquisition, and potential resettlement impacts. If a Municipality or Municipal Water and Wastewater Utility has more than one project including land acquisition issues, the Administration will prepare a separate LARAP for each project. Site-specific impacts will be determined by Iller Bank, the municipalities/utilities and the World Bank, and in case of a need sub-project LARAPs will be prepared and implemented by the municipalities. Iller Bank will supervise the implementation of LARAPs. Currently, the project sites are not known since neither the municipalities nor the specific sub-projects has been identified exactly.

3. Principles & Objectives Governing Resettlement

Land acquisition and resettlement will be governed by the following principles:

- The relevant Turkish legislation and World Bank OP 4.12 will both be followed, in cases where there are gaps between the legal regimes, measures will be taken to meet the standards set in OP 4.12.
- The property and inheritance rights of persons will be respected.
- Potential economic and social impacts of land acquisition/resettlement on affected persons (on livelihood of them also) will be assessed.
- Categories of affected persons and their respective entitlements will be identified.
- The public will be fully informed and processes will be transparent. Furthermore, affected persons will be meaningfully consulted, they will be given opportunities to participate in planning and implementation of resettlement programs.
- All possible steps will be taken to minimize acquisition of productive, privately owned land and to avoid acquisition of residential areas (and thus involuntary resettlement) through careful selection of the needed sites.
- Valuation of land, businesses, and other assets for which compensation is given will be based on the full replacement cost as defined in OP 4.12⁴.
- In the case of agricultural land, valuation of the land will include crops value as well as other land related livelihoods and assets.

⁴The Bank's policies require that all affected assets (land and structures) are compensated at their replacement cost. Replacement cost of an affected asset is equivalent to the amount required to replace the asset in its existing condition. The replacement cost of structures should be equal to the cost of constructing/purchasing a new structure, without making any deductions for depreciation.

- In cases when there are people working on the affected land or businesses but they are not land owners (tenants, or wage earners), the compensation should be in an amount or manner to ensure that they will not be worse off than before the project.
- For those whose livelihood depends on the land, regardless of the formality of ownership, the compensation would be provided would be at the level to ensure that the affected people could restore their livelihood to what it was before the project.
- If the land needed for expropriation is public land used informally, the project affected people, without formal title, will be compensated for the crops and any investment they have made on the land. In the case where land is needed in a temporary basis, owners will be compensated in full market rental price for the period during which the land is used and the land will be given back to the owner in the same condition as before it was rented.
- In exceptional cases if resettlement is unavoidable, in addition to the full replacement cost, affected people will be provided assistance for relocation and related expenses in line with the resettlement plans. Resettlement activities will be conceived and executed as sustainable development programs, providing sufficient investment resources to enable displaced persons to share in project benefits.
- Special assistance programs for vulnerable groups (if any) including the persons without any immovable property, will be provided.
- Provide and prepare the plans for grievance redress and monitoring in line with the WB policy guidelines.
- Preparation and implementation of the annual land acquisition and compensation plan will be done in a transparent manner with the participation of affected persons and relevant institutions.
- Any such infrastructure facilities as roads, water pipes, and communication networks disrupted by the construction of sub-projects will be replaced.
- All needed steps will be taken to ensure compensation, registration and transfer issues are resolved with owners without seeking court intervention, unless unavoidable.
- Affected people will be compensated in full before construction begins and all activities and procedures will be formally documented.
- Expropriation Law No 2942 shall be taken into consideration in the determination of compensation amount to be paid to the affected people.

4. Process for Preparing and Approving Resettlement Plans

The expropriation procedure starts after the Metropolitan Municipality or municipal water and wastewater utility determines that as a result of a given sub-project, there will be a need to acquire land or other properties and related assets. The feasibility studies carried out for each sub-project will provide information on the need to carry out an expropriation process or resettlement.

Consistent with best practice as indicated in OP 4.12, the implementing agency (Municipality or the Utility) will conduct a survey of the land, crops, buildings, and census (including asset

inventory) of affected persons. This will form the basis of land-acquisition and/or resettlement plans. This survey and census should be carried out as soon as possible after the identification of a given sub-project for which there is a need for displacement, land acquisition, or resettlement. This census survey is the primary means of data collection, which should be conducted as soon the project area is identified. Aerial photography also can be useful to quickly record ground situations.

After the census survey, the relevant Metropolitan Municipality or municipal water and wastewater utility shall prepare a LARAP, or if the affected people are less than 200 and relocation is not required, then an ALARAP shall be prepared in line with the World Bank documents. Since the LARPF sets out the policy principles and spells out the entitlements, eligibility criteria, institutional arrangements for monitoring and evaluation, the framework for participation as well as mechanisms for grievance redress, the LARAPs or ALARAPs to be submitted need not include this information and can refer to the LARPF. The subprojects' specific land acquisition and resettlement plan needs to be prepared according to the principles indicated in OP 4.12.

The LARAP or the ALARAP prepared by the relevant Metropolitan Municipality or municipal water and wastewater utility shall be submitted to Iller Bank for review and comments. Once Iller Bank is satisfied with the document, the plans will then be submitted to the World Bank for review and clearance. After the clearance, the Metropolitan Municipality or municipal water and wastewater utility is responsible for disclosing these documents at the local level in a manner that is accessible to Project Affected People (PAPs). Iller Bank and World Bank will disclose the plans on their respective websites.

All plans should be cleared, disclosed and implemented before construction begins on the affected land.

5. Potential Impacts of the Project and Affected Persons

PAPs are the owners of land, properties, and businesses that will be used for the implementation of the sub-projects, either permanently or temporarily, as well as those whose livelihoods are connected to the affected land or properties. They include the following categories:

- Landowners who lose all or part of their land,
- Owner of businesses affected by temporary or permanent land acquisition or access restriction,
- Property owners who, as a result of the project, have to be resettled;
- Property owners whose land will be needed during the construction on a temporarily basis; and.
- Formal renters of land or property affected by land acquisition
- Those who are not owners or formal renters of the affected land or properties but they either reside on or their livelihoods are directly dependent on, the affected land or properties (e.g., tenants, those earning wages from working on the affected agricultural land or working on

the affected businesses, or are using the land informally with or without the permission of the owner).

In case that the sub-project is located in rural areas and agricultural land could be affected, the impact goes beyond the value of the land which is taken and includes crops and other affected land-related livelihoods and assets.

Categories of impact include loss of private land; properties; businesses; assets; investments made on land, crops and trees and other land related livelihoods. In addition, categories of impact can include temporary or permanent loss of access to land or land-based assets, and loss of community assets (something built by the community for community use).

6. Eligibility Criteria

Any person who will suffer loss or damage to an asset, business, trade or loss of access to productive resources, as a result of the project will be considered eligible for compensation and/ or resettlement assistance.

The cut-off date for being eligible for compensation and/ or resettlement assistance will be the last day during which the socio-economic survey was completed. The completion of the census/inventory of assets represents a provisional cut-off date for eligibility for resettlement assistance. Sufficient public awareness of the cut-off date will be given to the community through the responsible agencies, media, community elders and leaders.

7. Legal Framework

Turkish Legal Framework for Land Acquisition and Resettlement

Land Acquisition;

The legal basis for the acquisition of the land will be as follows:

1. Expropriation Law (Law No. 2942-approval date: 04.11.1983) and Laws concerning amendments to the Expropriation Law (which includes Law No. 4650-approval date: 24.4.2001 and other laws);
2. Municipal Law (Law No. 5393- approval date: 03.07.2005)

In the scope of Turkish legal framework, land acquisition/expropriation is based on the Expropriation Law No: 2942 (amended by Law No: 4650 in 2001). In addition, Article 46 of the Turkish Constitution explains that state and legal public entities, in cases of public benefit, are entitled to entirely or partially expropriate immovable properties in private possession, on condition that the real value of those immovable properties are paid in advance and in cash; and to establish easement rights on these immovable properties in compliance with the procedures and principles set by expropriation law. In other words; Constitution implies that any immovable property cannot be confiscated unless its expropriation compensation is paid to the owner/s in advance and in cash.

Compensation for the expropriated estate is determined pursuant to procedures and principles in Articles 8, 10 and 11 of the Expropriation Law No 2942. Valuation criteria are stated in the Article 11 of the Law. The Expropriation Law defines that determination of the compensation for the expropriated land depends on average annual net income derived from that land by taking into account rotation system, valuation of structures includes the calculation of construction unit prices, and valuation of plots (housing) depends on peer assessment. Valuation commission is internally established by the organization responsible for land acquisition, and comprised of at least three members. In case of a necessity, this commission can get information from Chamber of Industry and Commerce, real estate agencies and other individual or institutional authorities that are specialized on those points.

Announcement

The valuation commission delivers valuation document to negotiation commission which is internally established by responsible agency. This negotiation commission is also comprise of three members and conducts negotiations with property owners. Then, the metropolitan municipality or the municipal water and wastewater utility (responsible agency) notify the affected people through an official registered mail, and invites them for negotiations. In the case of land and property owners, the notification mentions the intent of the municipality or municipal water and wastewater utility to purchase the land (or to establish easement right on the land in question) through a negotiated settlement and clearly describe steps in the land acquisition process and provisions for litigation available to the landowner and relevant steps.

In case of the owners do not live on the land, reasonable efforts are made to reach them by: 1) Local inquiries for current address research from villagers and village head (muhtar), 2) Inquiry of last known residence from land registry and cadastre records, and law enforcement records through their national identification number, and 3) official advertisement in newspaper pursuant to Article 10 of the Expropriation Law 2942. If the owners can still not be reached, the compensation for the land is deposited in their name to a Bank account. The owner can withdraw the compensation at any point in time.

Transaction

The purchase of land and affected properties can take place through two processes: negotiated settlement, or court settlement.

Negotiated Settlement: The process for purchasing the land and the related immovable property through negotiated reconciliation, pursuant to the principles and procedures set out in Article 8 of Expropriation Law No.2942 and this LARPF. If the owner agrees to a negotiated settlement, then discussions between the owners and the municipalities or municipal water and wastewater utilities takes place to finalize the transaction. A minutes of the proceedings regarding this agreement is signed by two sides. Then the expropriation compensation is paid to right owner within 45 days and the property is registered in the name of government following alienation. This way of purchase is considered as expropriation and right to sue against this expropriation and amount of expropriation compensation cannot be processed. The municipality or municipal water and wastewater utilities should make it clear that negotiations will last for no more than 3 months and will provide the landowner a description of the land acquisition steps and the owner’s rights to due process and litigation at each step. Failure to reach a negotiated settlement will result in a court settlement.

Court Settlement: A court settlement will occur if: a) the negotiated settlement fails; or b) the owner, after receiving notification from the municipality or municipal water and wastewater utility, declines to negotiate; c) in case of customary rights; d) in case of deceased or absentee owners. Prior to requesting a court settlement, rights to due process and litigation will be explained fully to the landowner.

A lawsuit will be filed by the **Metropolitan** Municipality or municipal water and wastewater utility with a relevant court of first instance for valuation and registration, pursuant to Article 10 of the Expropriation Law. The costs of the court process are born by the responsible agency according to the Expropriation Law. Particularly, in case of the court process cannot be concluded within 4 months, legal interest rate is applied to determined compensation amount as from this deadline.

In general, according to the article 12 of the Expropriation Law, if a land is partially expropriated and in case of the remaining part is not usable, this part shall also be expropriated upon the request of the owner within 30 days following receiving expropriation decision.

Urgent Expropriation: Article 27 of the Expropriation Law authorizes the organization responsible for expropriation to confiscate the immovable assets required by the project earlier than the time needed in normal expropriation procedure. This process does not prevent challenges of the property owners against the determined valuation.

If the urgent expropriation is unavoidable, right owners (displaced persons) should be meaningfully informed at initial phase of land acquisition by responsible agency.

Involuntary Resettlement;

In case of physical or economic resettlement comes into agenda in any project, **Metropolitan** Municipality or municipal water and wastewater utility which is responsible for land acquisition, can provide collaboration with other organizations related with resettlement planning and implementation according to the Municipal Law (Law No. 5393).

Objectives and Required Measures under OP 4.12

The World Bank OP 4.12 on Involuntary Resettlement includes safeguards to address and mitigate risks resulting from involuntary resettlement under development projects, and covers any involuntary land taking.⁵

The overall objectives of the Bank's policy on involuntary resettlement are the following:

- (a) Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
- (b) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- (c) Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

To address the impacts covered under involuntary settlements of this policy, the policy requires the borrower to prepare the LARPF whereas the Municipalities (implementing agencies) will prepare the LARAPs where necessary. LARAP or ALARAP will cover the following:

- (a) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are
 - (i) informed about their options and rights pertaining to resettlement;
 - (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
 - (iii) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.
- (b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are
 - (i) provided assistance (such as moving allowances) during relocation; and

⁵ The full text of the policy and guidance on implementation can be accessed at:
<http://go.worldbank.org/ZDIJXP7TQ0>

(ii) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site, compensation for their losses at full replacement cost and assistance in improving their former living standards, income earning capacity and production levels or at least restoring them.

OP 4.12 requires that no land shall be acquired before compensation is paid completely to the affected people.

Moreover, OP 4.12 requires the Project to create and implement a resettlement plan, the preparation of which involves the involuntary resettlers and hosts in planning. In this regard, OP 4.12 requires the Project to systematically inform and consult affected persons about their options and rights during the preparation of the resettlement plan.

“**Replacement cost**” is the method of valuing assets endorsed by OP 4.12: “For agricultural land, it is the pre-project market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.”

OP 4.12 also recognizes that some types of loss, such as access to public services, customers and suppliers, grazing or forest areas, cannot easily be compensated for in monetary terms and, therefore, requires the Project to attempt to make or establish access to equivalent and acceptable resources and earning opportunities.

While OP 4.12 covers all affected people, it calls on the Project to pay particular attention to the needs of the vulnerable people.

Gap Analysis

National legislation and processes regarding land acquisition have a long lasting history in Turkey. They have been updated in the years of implementation to improve the process to solve the problems encountered and to incorporate some requirements from international best practice. However, there are still some issues creating gaps between Turkish legislation and World Bank OP 4.12. In this regard main gaps can be summarized under the following issues:

(i) Compensation/assistance to renters, sharecroppers and other users of lands, who do not own property: According to Bank’s policies, official or unofficial users of the land are also defined as PAPs. Turkish legislation does not require payment of compensation to tenants and unofficial users of land/properties⁶. However, according to Bank’s operational policies, persons who have spent

⁶ According to the amendment on article 19 of Expropriation Law, persons who have spent money and constructed/erected buildings or other structures on the lands of other persons are compensated at full cost for trees and material costs for buildings. But material costs need to be reached replacement cost.

money and constructed buildings or other structures on the lands of other persons are compensated at full replacement cost. They are also compensated for standing crops and economic trees they planted on the land they use unofficially, and assistance if needed to restore income/livelihood lost as a result of being displaced from the land in question.

Compensation provided will ensure that the livelihoods of renters and other users are not affected. In addition to the legal compensation amount for the official land owners, for other people who have no legal rights, cost can be provided from social aid funds of the Metropolitan Municipalities.

ii) Replacement Cost: According to Bank's policies, all the losses should be compensated at full replacement cost before the construction starts. Legal land owners will be compensated for replacement cost of land, and tenants, public land users and squatters would be entitled to the replacement cost of what they have invested in the land. According to Turkish legislation, only the legal property owners can get monetary compensation and there is a clause in the law indicating that depreciation shall be deducted in the valuation process for the buildings (for expropriation), which may cause the expropriation value to be less than the full replacement cost as defined in OP 4.12 (which does not allow for applying depreciation). The compensation for the loss of income, access to common properties or social losses (such as opportunity costs) is not clearly stated in the Turkish legislation.

Full replacement cost can be provided from social aid funds of the Metropolitan Municipalities.

(iii) Scope of project affected people: According to Turkish legislation, only people who lose legally owned land are considered as project affected people (PAP). Thus, the possible losses of other project affected persons such as the host population, nomadic/migrants (using the project area) or economically displaced people are not recognized and there are no provisions to mitigate the adverse affects of the projects on these people. In Turkish legislations, most of these groups are not considered as PAP.

For such people who are affected and fall under the definition of OP 4.12, mitigation measures such as occupational education or some job opportunities can be provided.

(iv) Public Information Disclosure, Consultation and Participation: There are no adequate provisions regarding information disclosure to public, public consultation and participation in the Turkish legislation regarding land acquisition. In the scope of normal expropriation procedures, an invitation letter is sent to property owners for the aim of informing and inviting rightful owner to negotiations within 15 days. Therefore rightful owner becomes aware of land acquisition and has the opportunity to negotiate and/or challenge the proposed compensation amount.

OP 4.12 requires full public disclosure of LARPF and LARAPs.

For this project, Municipalities/ Water and Waste Water Utilities are responsible for arranging consultation meetings before land acquisition procedures begin with affected persons to discuss the LARPF, the draft LARAPs, and resettlement planning and implementation if any.

In addition, the LARPF and LARAPs (and (Resettlement Action Plan (RAP) if any) will be disclosed at the local level and on Iller Bank’s website.

The municipality or the municipal water and wastewater utility will also notify the other affected groups in addition to the people who have legal rights, including those who have made investment in public land or are occupying the land without formal rights, and tenants, through an official registration mail as they notify the land and property owners and with consultations. In the letter, they should be given information about the related sub-projects and the impact.

(v) Grievance Redress Mechanism: There are channels for lodging grievances under different laws of Turkey (2942 Expropriation Law, 3071 Grievances Law, and 4982 Access to Information Law), but these are through more formal and legalistic mechanisms.

For this project, grievance redress mechanisms will be developed in the municipalities/ Water and Waste Water Utilities, consisting of accessible and documented grievance redress handling at sub-project and municipal levels. These project level grievance redress mechanisms are supplementary, but do not substitute for the formal legal mechanisms which remain available to PAPs who choose to pursue them.

8. Methods of Valuing Assets

Under Turkish Law, a valuation committee is internally established by the relevant Metropolitan Municipality and/or municipal water and wastewater utility. This committee needs to determine the estimated expropriation value of an asset through having reports of expert persons, institutions and organizations or if needed making use of information from chambers of industry and commerce. The Expropriation Law defines that the compensation for the expropriated estate equals the commercial value of the asset.

The valuation commission determines the estimated ceiling value of immovable properties in the expropriation area. During the valuation of immovable assets or resources, valuation commission has to take into account the following valuation criteria, which is mentioned in Article 11 of the Expropriation Law:

- a) The nature of the immovable property or resource
- b) The size of the immovable property or resource
- c) All the characteristics and elements, which could affect the value of the immovable property or resource, including the individual value of each element
- d) Tax declaration (*taxes paid on that immovable property or resource*), if any
- e) Previous values of property determined by official bodies at the date of expropriation
- f) For lands, the net income that could be derived from the immovable asset or resource (without undertaking any changes, using the immovable property or resource in the same conditions as of the expropriation date)
- g) For house plots, the amount for which equal (similar) house plots have been sold without any special purpose, prior to the date of expropriation

- h) For structures, official unit prices (annually issued by the Ministry of Environment and Urbanization) at the expropriation date, calculations of the cost of building, and depreciation for wear and tear
- i) Any other objective criteria that could affect the value of the property or resource

In addition to the consideration of the above variables under Turkish law, defining entitlements under the Sustainable Cities Project will be in accordance with the entitlement matrix below: During implementation, Municipality/Utility, will determine the compensation amount according to the entitlement matrix below by using the gap analysis.. If there are any gaps to be found by Iller Bank, measures will be taken to meet the OP 4.12 standard of replacement cost.

Affected Categories	Entitlement
Loss of entire land holding	Full replacement cost.
Partial loss of land	Full replacement cost of the part of land lost.
Unviable, redundant parcels of land/structures	If the remaining parcel of land after expropriation of a part of it is not economically viable, it will also be acquired and compensated (at full replacement cost) if the owner so desires.
Structure on the land (barns, shacks, fences, etc.)	Full replacement cost. Depreciation will not be deducted.
Crops, trees, and other land based products	The crop value and investment amount made for the crop (input, labor, age of trees).
Land needed on temporarily bases	The market rental price for the duration of the lease. The land should be returned to the project affected individual, in the same condition as it was taken. If agricultural land and crops lost during the lease, the owner should be compensated for the crop losses for the duration of lease. If land is used for business and income is affected during the lease, the business shall be compensated for losses for the duration of the lease.
House	Full compensation based on the replacement cost in a similar/comparable area plus moving and transition allowance. Depreciation will not be deducted.
Renters	Assistance with finding a new place and moving and transition allowance If lease is terminated early, compensation to ensure that renters do not suffer losses.

Legal renters or workers on the land or businesses	Compensated for their income earned from the land, crops, and any investment made on the land, in a manner that they will not be worse off than before the project
Informal users of public land	Compensated for the crops and the value (at full replacement cost) of investment made on the land.
Affected people without formal title whose livelihood depends on the use of public or third-party private land	Assisted in their effort to improve their livelihoods and standard of living to restore them to pre-displacement levels.
Businesses affected	Full replacement cost of affected business place. Transitional assistance to re-establish business in new location and compensation for lost income as necessary.

9. Organizational Procedures & Implementation Process

As the Borrower, Iller Bank would on-lend the loan to municipalities by sub-loan agreements. Specifically;

- Iller Bank will ensure that any land acquired or/and any resettlement⁷ which may result from any of the sub-projects proposed by the Metropolitan Municipalities or municipal water and wastewater utilities financed by the Bank loan will be in compliance with this framework document.
- Before financing the sub-projects, Iller Bank will make sure that the social and social safeguards issues are identified by the Metropolitan Municipality or municipal water and wastewater utility, the processes spelled out in this framework are followed, and in the cases when there will be a need for land acquisition or resettlement, a LARAP is prepared in accordance with this framework, submitted to the World Bank for review and clearance and disclosed, locally and on the Iller Bank website. The Iller Bank’s role includes instructing and building capacity of municipalities to understand and implement the LARPF; through support, review and comments, ensuring that municipalities prepare LARAP or ALARAPs according to the LARPF; and monitoring and implementation of the LARAPs and ALARAPs by the municipalities, and reporting to the Bank, using the reporting format attached to this LARPF (Annex 1).

⁷ Under OP 4.12, Involuntary Resettlement is referred to the involuntary taking of land resulting in (i) relocation or loss of shelter; (ii) loss of assets, including land or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location. In summary, “involuntary resettlement” under the OP 4.12 not necessarily involves physical relocation and refers to all types of land taking and the impact on all assets, which can include physical relocation. However, for the purpose of this LARPF the term “land acquisition” is used in addition to “resettlement”, former only refers to taking of land and latter includes physical relocation.

- Iller Bank will ensure that, to the extent possible, sub-projects which involve land acquisition or resettlement are avoided. In other words, land acquisition is kept to a minimum level based on the technical requirements within this framework document.

When land acquisition or resettlement is expected, Iller Bank will inform the Bank of the need to carry out an expropriation or resettlement process for the proposed investments. Iller Bank then will follow that the municipality or municipal water and wastewater utilities carry out the procedures in this framework in a satisfactory manner and prepare the relevant documents.

During the implementation of the LARAP or the ALARAP, Iller Bank will monitor the implementation. Upon the transfer of ownership of the land to the municipality or municipal water and wastewater utility, based on appropriate documentation inform the Bank that the expropriation or resettlement process is over and the municipality or municipal water and wastewater utility has full control of the land. Only after the expropriation process is over, following the specifications included in this framework policy document and including payment of all compensation and provision of all assistance required, construction process will start to be financed by the World Bank.

To improve the supervisory role of the Iller Bank, based on the lessons learned from the Municipal Services Project and the Additional Loan, Iller Bank and the PMU, as well as staff involved at the municipal level, will be provided training on the WB safeguards policies, mainly OP 4.12. As Iller Bank signs sub-loan agreements with municipalities, contact staff who will be involved with land acquisition and resettlement aspects of the project at the municipal level will be identified. The World Bank, together with Iller Bank, will provide initial training and support on OP 4.12 safeguards requirements to such municipal staff, after which Iller Bank will assume responsibility for implementation support to the municipalities.

10. Grievance Redress Mechanism & Right for Litigation

Under Turkish Law, the landowner can file an annulment lawsuit at administrative jurisdiction and correction lawsuit against mistakes of fact at jurisdiction within thirty (30) days of the official announcement of intent to expropriate. After failure or refusal to negotiate and at the conclusion of a court settlement, the owner can appeal the compensation level stated in the judgment at the Supreme Court of Appeals.

Moreover, to comply with OP 4.12 and to reduce the cases of litigation, the followings will be implemented:

1. The Metropolitan Municipalities and municipal water and wastewater utilities will form a grievance redress committee (GC). The GC, in addition to representative of the municipalities and/or municipal water and waste water utilities, should include a representative of the affected people. The representative will be chosen by the community that will be impacted by the project in a participatory, accessible and transparent manner. The GC needs to be accessible to the affected people. Depending on the severity of impact

and the need of different municipalities, a cell phone (toll free) number will be provided to the affected people or the GC to meet once a week during the implementation of the LARPF in a place and time which is accessible to the affected people and have been communicated to them in advance, depending on a given situation. In either case, the GC will keep grievance log book where it documents all received grievances, how these were responded to and resolved, and the time it took for these actions to happen. Besides keeping the logbook, two grievance forms would be used for grievance mechanism. First forms would be comprised as “grievance application form”. Following corrective action and redressing the grievance “close out” for is filled by grievance officer. Sample Grievance Form is added as Annex 4 for the Municipality/Utility to use. The GC is not a legal entity and only can address issues related to compensation amount, entitlement issues, problems which may come up during the processes of land acquisition and resettlement, among other things. The GC would try to work with the affected party to solve the issues brought to committee through negotiation and reaching an agreement with the affected parties to avoid or minimize, to the extent possible, the need for involvement of the formal channels for dispute resolution such as courts. Information on the GC will be included in the LARAPs.

2. More generally, the following information in the following format should be included in all of the LARAPs:

Level	Authority	Method	Procedures	Response Time
1.	Grievance Committee (phone number, address)	In person, by phone, by writing – in all cases grievances will be recorded in a grievance logbook.	Lodging of grievance will be confirmed. Grievance will be assessed. Response / redress of grievance will be communicated to petitioner. If cannot be resolved, petitioner will be referred to Level 2, Level 3 or Court of First Instance depending on grievance.	1 week
2.	Municipality (phone number, address, e-mail)	In person, by phone, by writing, electronically - in all cases grievances will be recorded in a grievance logbook.	Lodging of grievance will be confirmed. Grievance will be assessed. If needed will be examined on-site Response / redress of grievance will be communicated to petitioner.	2 weeks

			If cannot be resolved, Level 3 or Court of First Instance depending on grievance.	
3.	Iller Bank in Ankara (phone number, address, e-mail)	By phone, by writing, electronically	Lodging of grievance will be confirmed. Grievance will be assessed by the sub-borrower and IB will be informed. Response / redress of grievance will be communicated to petitioner by the sub-borrower. IB will monitor the sub-borrower to run the grievance mechanism smoothly. If cannot be resolved, petitioner will be referred to Court of First Instance.	4 weeks
5.	World Bank's Corporate Grievance Redress Service		For information on how to submit complaints to the World Bank's corporate Grievance Redress Service, please visit http://www.worldbank.org/GRS For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org	
4.	Responsible Court of First Instance (address)	By writing	Pursuant to legal regime	Pursuant to legal regime

Grievance redress mechanism will operate in collaboration with monitoring system. Complaints/grievances of women will be logged separately.

11. Funding

The land acquisition and resettlement process for the investments will be carried out by the Metropolitan Municipalities or municipal water and wastewater utilities. Iller Bank will confirm that the process followed is in line with relevant Turkish laws and World Bank policies, mainly OP 4.12. Iller Bank-PMU, will assist monitoring the processes of land acquisition and resettlement, noting when the process is out of compliance, and reporting to the Bank on progress made on regular basis.

Metropolitan Municipalities and municipal water and wastewater utilities will finance the land acquisition and resettlement from their own sources of financing.

12. Consultation & Participation

A key step in World Bank policies on resettlement, land acquisition and compensation is a framework for public consultation, participation, and the establishment of a process to redress the grievances of affected people.

This LARPF will be officially disclosed on the website of the Iller Bank in both English and Turkish languages and distributed as hard copies to all interested parties. In addition, it will be available in all relevant Metropolitan Municipalities or municipal water and wastewater utilities and posted in their web site. It will also be made available through the WB Info Shop. In coordination with the consultation meetings being held for the Environmental and Social Management Framework (ESMF), consultations can be held after disclosure of LARPF to solicit input and opinions of stakeholders. The executive summary of ESMF has been disclosed on 28.08.2014 on ILBANK's website.

During the preparation of the LARAPs at the municipality level, consultations will be held with project affected people to discuss the LARPF and/or the draft LARAP to ensure participation and that everyone's opinions are taken into account. Consultation and participation will be held in an accessible and meaningful manner. LARPF and/or LARAPs will be disclosed before meetings for affected persons to view and discuss. Municipalities and/or Iller Bank will respond to affected person's questions in the consultation meetings. Consultation meetings, attendants and issues raised will be documented.

13. Monitoring

The purpose of resettlement monitoring will be to verify that:

- Actions and commitments described in the LARAP are implemented fully and on time
- Eligible affected people receive their full compensation entitlements within agreed time frames
- Complaints and grievances lodged by project affected people are followed up and that where necessary, appropriate corrective actions are implemented

Primary monitoring responsibility will rest with Municipality or Municipal Water and Wastewater Utility. For monitoring, administrations preparing LARAP will insert above mentioned bullets into their reporting formats and they will send these Reports to Iller Bank to be submitted to the Bank. Municipality or Municipal Water and Wastewater Utility has the responsibility to ensure that project implementation is fully consistent with the LARAP and also to provide for adequate monitoring and reporting of the activities set out in the LARAP.

Iller Bank will monitor the processes of land acquisition and resettlement, noting when the process is out of compliance, and reporting to the Bank on progress made every six months in accordance with the reporting format in Annex 1. The Reporting Format in Annex-1 will be prepared by Municipalities / Utilities.

In addition, the World Bank will, as noted above, in its regular supervision missions also monitor the processes and if needed recommend mitigation measures to resolve any outstanding issues.

Annex 1. Reporting Format

Iller Bank will report to the Bank in every 6 months on the status of land acquisition and resettlement under the project. The sub-loan agreements between Iller Bank and municipalities/ water and waste water utilities will reflect that:

- Metropolitan municipalities / Water and Wastewater Utilities will be responsible for resettlement and land acquisition as per Municipal Law (Law No. 5393), Expropriation Law (Law No. 2942) and Law concerning amendment to the Expropriation Law (Law No.4650), other relevant laws and OP. 4.12; and;
- Iller Bank will monitor resettlement and acquisition under Expropriation Law (Law No. 2942) and Law concerning amendment to the Expropriation Law (Law No.4650), other relevant laws (such as Resettlement Law if implemented) and OP. 4.12.

A short report should be submitted to the Bank if there is any land acquisition or resettlement involved. The following format is used as the basis for the report. Each report should include for each case the number of consultation which taken place with people, dates of the consultation and places where the consultation took place. The sample of the Reporting format below will be prepared by the Municipalities / Utilities to be submitted to Iller Bank. After the review of Iller Bank , the reporting format will be submitted to the Bank:

Sustainable Cities Project (SCP) Progress Report

Date:

Reporting Period: xxx to xxx

1 - Sub-project Description

Brief description / overview of the sub-project, including: any associated or linked facilities needed for its functionality and success, including those linked facilities financed by other sources; key components; reports should up-date any changes or variations in design which may change land access requirements. *(This section remains relatively unchanged in the reports unless there is change in design).*

2 – Land Acquisition & Resettlement

Summary of totals described below:

Land Access Progress / Component / Type

(The section may include a narrative, photos, etc. as needed to elaborate on salient or key issues as needed).

Inventory of Land and Assets Acquired from Private Owners					
Name of Owner and/or Land User	Project Component: Area(s) / plot (s) acquired (ha)	Owner's / user's total land (ha) & % taken	Expropriation/Right of Easement/ Temporary Use: Indicate the type of Land Acquisition Land use: pasture, agriculture, residence, etc. Indicate & detail any structures or other fixed or productive assets (wells, fences, trees, standing crops, etc) to be taken. Indicate if land is rented or informally used by another party. * Indicate if land-based activity is primary source of income for owner or land user or if household is economically vulnerable.	Compensation to be paid. Compensation / other measures for renters or land users.	Impact on income of owner. Impact on income of lease holder or informal land user renders them vulnerable. Compare the incomes annually derived from taken land and total annual income of owner (to show livelihood loss)
1.					
2.					

3.					
4. ...					

Inventory of Public, Community, or State Land Acquired

Project Component: land parcel(s) required. Area acquired / parcel.	Land type / land use: Forest, commons for grazing, other.	Ownership: State, community, other. Structures or other fixed assets.	Compensation, land transfer, or other measures to mitigate impacts on land users. Specify measures and dates of delivery. Show the effect of land take on livelihood of user

3 – Disclosure & Public Awareness

The report provides a chronological list of key milestones or events in public disclosure and consultations from Environmental Assessment stage onwards. *(This section is essentially a running list of all disclosures, public meetings, meetings with affected stakeholders, etc. It is up-dated as needed in each report).*

No.	Activity	Date	Observations, key issues discussed in the meeting
1	Environmental Management or Environmental Assessment Initial Consultations & Disclosure	xx/yy/zzz	200 people participated at city hall meeting.
2	EMP / EA Second consultations		250 people attended public meeting; concern about land acquisition at xxx village.
3.	Up-dated Resettlement Policy Framework (or Resettlement Action Plan, if any) Disclosed by the Municipality / Administration.		
4.	Tenders for contracts / announcements		
5	Public meetings / consultations on land acquisition and resettlement if any		

❖ *(Note that all disclosures by Iller Bank are copied to World Bank for disclosure on WB website).*

4 - Land Acquisition and Resettlement Issues

This section describes any social or land access issues, such as grievances, complaints, or court cases

which may hinder timely payment of compensation and implementation. In case of resettlement is involved the project, issues regarding entitlements, site selection, physical relocation, income restoration plans, implementation will also be reported. This section should describe the key features of the issues and report on its state of resolution / non-resolution.

5 –Monitoring*

- Actions and commitments described in the LARAP are implemented fully and on time
- Eligible affected people receive their full compensation entitlements within agreed timeframes
- Complaints and grievances lodged by project affected people are followed up and that where necessary, appropriate corrective actions are implemented

(*) This section will be included for the Municipalities or Municipal Water and Wastewater Utilities who prepare LARAP to monitor the project implementation to be fully consistent with the LARAP.

Annex 2. Outline for Land Acquisition and Resettlement Action Plan

1. Description of Project and Potential Impacts
2. Rationale for Preparing LARAP
3. Objective
4. Survey of Affected Persons and Assets (baseline census, asset inventory and socioeconomic survey information)
5. Valuation, Compensation (specific compensation rates and standards)
6. Policy entitlements related to any additional impacts identified through the census or survey, Entitlement Matrix
7. Description of Resettlement Sites and Programs for Improvement or Restoration of livelihoods and Standards of Living, (*including Resettlement Implementation Plan –RIP- and Income Restoration Plan – IRP-*)
8. Implementation Schedule for Resettlement Activities
9. Public Consultation and Disclosure Activities for LARAP
10. Institutional Responsibility of Implementation

11. Procedures for Grievance Redress
12. Monitoring and Implementation
13. Timetable and Budget with Detailed Cost Estimate

Annex 3. Outline for Abbreviated Land Acquisition and Resettlement Action Plan

- 1. A census survey of project affected people and valuation of assets**
- 2. Description of compensation and other land acquisition and resettlement assistance to be provided**
- 3. Consultations with affected people about acceptable alternatives**
- 4. Institutional responsibility for implementation and grievance redress procedures**
- 5. Arrangement for monitoring and implementation**
- 6. Timetable and budget.**

Annex 4 - SAMPLE GRIEVANCE FORM

Page 1 part must be shared in the project site and village/district headmen's office in order to collect written complaints from the locals.

If the complaint is received via phone or verbally through meetings and visits to sponsor (either in its office or site) grievance form must be filled by the grievance redress committee responsible.

If the complaint is received via mail or email, grievance form can be filled by the grievance redress committee responsible, or the email print-out or mail can be attached to the close-out form.

GRIEVANCE FORM

Name of Person receiving grievance:		Date:
Title:		

INFORMATION ABOUT COMPLAINANT

Ways of Receiving Grievance

Name – Surname		Phone	<input type="checkbox"/>
Phone number		Meetings	<input type="checkbox"/>
Address		Application to Office	<input type="checkbox"/>
Village		Mail/email	<input type="checkbox"/>
Signature of Complainant (if possible)		Field visit	<input type="checkbox"/>
		Other	<input type="checkbox"/>

<p>DETAILS OF GRIEVANCE</p>

SAMPLE GRIEVANCE CLOSEOUT FORM

Close out form must be filled by the grievance redress committee responsible.

CLOSE-OUT FORM

ASSESSMENT OF THE GRIEVANCE	Damages to households or livelihoods	<input type="checkbox"/>
	Environmental and social	<input type="checkbox"/>
	Expropriation	<input type="checkbox"/>
	Employment	<input type="checkbox"/>
	Other	<input type="checkbox"/>

--

Compensation Required: <input type="checkbox"/> YES <input type="checkbox"/> NO
--

RESULT

CLOSE OUT	
<p>This part will be filled in and signed by the complainant and the grievance redress committee responsible when he/she receives the compensation or file is closed-out. (Instead of taking the signature of the complainant, bank receipt can be documented with the form)</p>	
Responsible	Complainant
Name-Surname Date and Signature	Name-Surname Date and Signature (If possible. Reasons of non-signing should be explained))