

Resettlement Framework

October 2022

Pakistan: Second Power Transmission Enhancement Investment Program (Tranche 4)

Prepared by the Environment & Social Impact Cell of the National Transmission and Dispatch Company for the Asian Development Bank. This is an updated version of the draft posted in May 2016 available on https://www.adb.org/projects/documents/pak-second-pteip-may-2016-rf_

SECOND UPDATED LAND ACQUISITION AND RESETTLEMENT FRAMEWORK (LARF)

October 2022

**PAK: 48078-002/MFF Second Power Transmission Enhancement Investment
Program**
(ADB Project No. 48078)

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ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected household
AP	Affected person
DED	Detailed Engineering Design
DMS	Detailed Measurement Survey
DOR	District Officer (Revenue)
EMA	External Monitoring Agency
ESIC	Environmental and Social Impact Cell
GRC	Grievance Redress Committee
IR	Involuntary Resettlement
KPK	Khyber Pakhtunkhwa
kV	Kilo volt
LAR	Land Acquisition and Resettlement
LARDDR	Land Acquisition and Resettlement Due Diligence Report
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
MFF	Multi-tranche financing facility
MVA	Mega Volts Ampere (Capacity)
NESPAK	National Engineering Services Pakistan
NTDC	National Transmission and Despatch Company (Pakistan)
PMU	Project Management Unit
PTEIP	Power Transmission Enhancement Investment Program
RP	Resettlement Plan
SAR	Social Audit Report
SDDR	Social Due Diligence Report
SPS	Safeguard Policy Statement
CSC	Construction Supervision Consultant
WAPDA	Water and Power Development Authority

DEFINITION OF TERMS

Definition of terms in context of this LARF:

<p>Acre of land: Acre is a unit of measurement for land and 2.471 acres are equal to one hectare of land.</p>
<p>Affected Household: All members of a household (or single-person household as the case may be), living under one roof and operating as a single economic unit, who will be economically and/or physically displaced by the project involuntary resettlement impact, and/or in other way adversely affected by the Project and/or any of its components. It may consist of a single-person household (as the case may be), nuclear family or an extended family group.</p>
<p>Affected Person: Any person affected by the project-related changes in use of land, water, natural resources, or income losses.</p>
<p>Beneficiary Community: All persons and households situated within the government-owned or acquired property who voluntarily seeks to avail and be part of the Project and represented by a community association that is duly recognized by the community residents, accredited by the local government, and legally registered with the appropriate institutions.</p>
<p>Bi-annual Safeguard Monitoring Report (can also be called as semi-annual social safeguards report): Socials safeguards compliance monitoring report submitted by PMU NTDC to ADB on a bi-annual or semiannual basis in accordance with the requirement of ADB's Safeguard Policy Statement 2009, the Program's LARF and the subprojects LARPs/RPs, and/or other safeguard documents.</p>
<p>Compensation: Payment in cash or in kind for an asset or a resource that is acquired or affected by a project at the time the asset needs to be replaced.</p>
<p>Cut-off date: The completion date of the final updated census of project-displaced persons is usually considered the cut-off date. A cut-off date is normally established by the borrower government procedures that establish the eligibility for receiving compensation and resettlement assistance by the project displaced persons. In the absence of such procedures, the borrower/client will establish a cut-off date for eligibility.</p>
<p>Construction Tier: means the specific construction phase for construction of tower foundation (tier 1), installation of tower erection (tier 2) and stringing (tier 3).</p>
<p>Displaced persons (or Affected Persons): In the context of involuntary resettlement, displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihood) 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.</p>
<p>Economic displacement: Loss of land, assets, access to assets, income sources, or means of livelihood 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.</p>
<p>Eminent domain: The right of the state using its sovereign power to acquire land for public purposes. National law establishes which public agencies have the prerogative to exercise eminent domain.</p>
<p>EMP: means the environmental management plan for the site, including any update thereto, incorporated in the IEE.</p>
<p>Entitlement: Resettlement entitlements with respect to a particular eligibility category are the sum total of compensation and other forms of assistance (e.g., cash compensation, income restoration, transfer assistance, income substitution, and relocation) provided to displaced persons in the respective eligibility category.</p>
<p>Expropriation: Process whereby a public authority, usually in return for compensation, requires a person, household, or community to relinquish rights to land that it occupies or otherwise use.</p>
<p>Encroachers/ squatters: People who have trespassed onto private/ community land to which they are not authorized. If such people arrived before the entitlements cut-off date, they are eligible for compensation for any structures, crops or land improvements that they will lose.</p>
<p>Host population: Community residing near the area where the Project beneficiaries are resettled as part of the Project.</p>
<p>Income restoration: Re-establishing productive livelihood of the displaced persons to enable income generation equal to or, if possible, better than that earned by the displaced persons before the resettlement.</p>

<p>Land Acquisition: The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.</p>
<p>LARP/RP Compliance Report: means each report prepared and submitted by the independent/external resettlement monitoring expert to ADB prior to grant of access to the project site or any part of a project site to a Works contractor that describes progress with implementation of, and compliance with, LARP/RP requirements. A subproject may have several LARP compliance reports if it is implemented using a sectional and tiered approach, as described in relation to transmission lines. LARP/RP compliance report differs from a bi-annual safeguards monitoring report. The latter is also prepared by an external monitoring expert to provide an update on overall progress in safeguards implementation at the project level.</p>
<p>Land Acquisition and Resettlement Plan (LARP): means the land acquisition and resettlement plan for the site or a section (involving permanent land acquisition and access to land permanently restricted) thereof, including any update thereto, prepared by the Employer (NTDC).</p>
<p>Meaningful consultation: 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.</p>
<p>Mouza/ Village: A demarcated territory, for which a separate revenue record (Cadastral map) is maintained by the Revenue Department.</p>
<p>Resettlement Plan (RP): means the resettlement plan for the site or a section thereof (not involving permanent land acquisition although access to land under the tower footage is permanently restricted and considered for compensation) thereof, including any update thereto, prepared by the Employer.</p>
<p>Physical displacement: Relocation, loss of residential land, or loss of shelter as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.</p>
<p>Relocation assistance: Support provided to persons who are physically displaced by a project. Relocation assistance may include transportation, food, shelter, and social services that are provided to the displaced persons during their relocation. It may also include cash allowances that compensate displaced persons for the inconvenience associated with resettlement and defray the expenses of a transition to a new locale, such as moving expenses and lost workdays.</p>
<p>Replacement cost: Replacement cost involves replacing an asset at a cost prevailing at the time of its acquisition. This includes fair market value, transaction costs, interest accrued, transitional and restoration costs, and any other applicable payments, if any. Depreciation of assets and structures or deductions for salvaged building material should not be taken into account for replacement cost. Where there are no active market conditions, replacement cost is equivalent to delivered cost of all building materials, labor cost for construction, and any transaction or relocation costs.</p>
<p>Rural area: as per the definition in the People’s Local Government Ordinance, any area other than an urban area.</p>
<p>Section: means any geographic part of the project site (e.g., substation and/or transmission line right-of-way), smaller than the site. The site may have several sections.</p>
<p>Urban area: as per the definition in the People’s Local Government Ordinance, an area defined as such under the Ordinance.</p>
<p>Vulnerable Groups: Distinct group of people who may suffer disproportionately from resettlement effects. These include households below the poverty line¹, the elderly, disabled member(s), those without legal title to assets, landless, women, children and indigenous people.</p>

¹ The poverty line is defined based on the current poverty threshold, set in Pakistan per person and affected household accordingly, and at the time of preparation of each LARP/RP.

I. INTRODUCTION

A. Background

1. The Second Multitranche Financing Facility (MFF 2) for Second Power Transmission and Enhancement Program (PTEIP 2) aims to improve Pakistan's power transmission infrastructure and management. It provides the required continuity to support the investment plans and sector interventions over medium to long term to achieve reliable and quality power transmission and service coverage in Pakistan. Further, it provides critical mass, predictability and continuity to the National Transmission and Despatch Company (NTDC) for their long-term investment planning, and enables the funding agency, the Asian Development Bank (ADB), to align the provision of financing with NTDC's project readiness. PTEIP 2 program builds on the work completed under MFF I and aims to continue to support NTDC in improving power transmission infrastructure and management in Pakistan. The program includes: (i) staged physical investments in the transmission system to increase transmission capacity, improve efficiency and energy security, and evacuate additional sources of power; and (ii) nonphysical investments to support institutional efficiency, cost recovery, competition, transparency and good governance within the sector.

2. The Land Acquisition and Resettlement Framework (LARF) for MFF2 was prepared and endorsed by NTDC (project executing agency) and approved by ADB in May 2016 for the investment program in conformity with ABD's Safeguard Policy Statement 2009 (SPS 2009) and applicable laws and regulations of the Government of Pakistan (GOP) and posted for public disclosure on NTDC and ADB websites for public and displaced persons (DPs). The LARF was updated by NTDC and approved by ADB in March 2021 to incorporate additional procedures for advance payment to contractors and disbursement of compensation to DPs prior to start of construction. The updated LARF has been further revised hereto in 2022 to reflect the procurement related (bidding documents/contract award) safeguard steps and procedures to ensure disbursement of compensation to all DPs (for partial or full right-of-way-ROW of transmission line-TL) prior to start of construction work in any of the three phases or tiers¹ of construction. application and safeguards compliance of in the bidding/contract documents into this version This LARF aims to provide clarity on preparation and implementation of Land Acquisition and Resettlement Plans (LARP) or Resettlement Plans (RPs) for any involuntary resettlement impacts due to the investment program. Thus, this updated LARF (2022) serves as a framework document for social and resettlement safeguard planning and implementation under the investment program.

3. All subprojects and components of the investment program shall comply with the safeguard requirements of this updated LARF (2022), and NTDC/PMU shall prepare LARPs/RPs, any social due diligence reports (SDDR) and corrective action plans (CAP) of subprojects in accordance with ADB Safeguard Policy Statement (SPS) and applicable national and provincial laws including the Land Acquisition Act of 1894 (LAA) and Telegraphic Act of 1885 and any amendments thereof. The LARP/RP, SDDR and/or CAP so prepared are to be submitted to ADB for review and approval, and its implementation by NTDC/PMU prior to commencement of civil works. Compensation at replacement cost and other expenses will be paid to all affected persons

¹ Phase 1 comprises construction of foundation footings (tier 1), phase 2 comprises erection of towers (tier 2) and phase three comprises string of wires between towers (tier 3)

(APs) prior to commencement of construction activities and prior to displacement or dispossession of assets.

4. The purpose of this 2nd updated LARF (2022) is to (i) incorporate compensation disbursement and monitoring requirement and mechanism into the construction contract and bidding documents for the employer (NTDC) and the Contractor to ensure and comply with the requirement of compensation disbursement to all AHs/DPs prior to start construction work before each of the three phases of construction; (a) foundation work of towers-tier 1), (b) erection of towers-tier 2, and (c) string of wires between towers-tier 3); (ii) specify preparation of sectional or full LARP/RP/SDDR/CAP (as the case may be but in accordance with package-wise LARPs/RPs/SDDR/CAP, and (iii) specify implementation (whether sectional or full) and monitoring to be conducted prior to hand over of site(s) for construction. The earlier updates to LARF of March 2021 remaining unchanged are as follows: (i) requirements to be followed with regards to screening and categorization of LAR impacts, assessment, and planning including arrangements for meaningful consultations with displaced persons and other stakeholders, information disclosure requirements, and, where applicable, safeguard criteria that are to be applied in selecting subprojects and/or components; (ii) assess adequacy of client's capacity to implement national laws and ADB's requirements and identify needs for capacity building; (iii) specify implementation procedures, including budget, institutional arrangements and capacity development requirements; (iv) specify monitoring and reporting requirements; (v) describe responsibilities of NTDC and that of ADB in relation to the preparation, implementation, and progress review of social safeguard documents of subprojects; (vi) lay out the principles and objectives governing the preparation and implementation of LARP/RP/SDDR/CAP and ensure consistency with ADB policy requirements, and (vii) compare applicable national laws and regulations and the ADB SPS and outline measures to fill identified gaps.

B. Description of the Investment Program and Status

5. The investment program is driven by the National Power Policy. NTDC's investment and power procurement program, as approved by the National Electric Power Regulatory Authority prior to the commencement of each year, forms the basis for the physical portion of the investment program. The investment program was approved by ADB on 23 August 2016 and will be delivered in four tranches. The details of each tranche and subprojects, and safeguard planning/implementation documents are presented in the Table 1. The subprojects under the investment program will be implemented on a on turnkey construction contract basis.²

6. The subprojects shall be screened as per the criteria set in this 2nd updated LARF (2022). Early screening of subprojects shall be undertaken to (i) identify sites where land acquisition and consequent involuntary resettlement (LAR) impact can be avoided and/or minimized; and (ii) avoid sites which may have impacts on indigenous people. All efforts shall be made to select sites on unencumbered government lands before taking course of land acquisition.

7. For unavoidable LAR impacts due to subprojects approved under Tranches 1 to 3, LARPs have been prepared based on the LARF approved in May 2016. Further updating of LARPs/SDDRs and any CAPs is being done based on the updated LARF of March 2021. Social Safeguard Due Diligence Reports (SDDRs) have been prepared for subprojects with no LAR impact. Under Tranche 1, all LAR activities and LARPs have been fully completed and validated by NTDC through the third-party LARPs monitoring/validation reports that have been disclosed

²"Turnkey project" will involve "design, supply, and installation" by a developer/contractor and will turn over to NTDC in a ready-to-use condition.

on ADB website. Any site that would impact indigenous peoples have been avoided. The LARPs of subprojects of Tranches 2 and 3 are being updated/implementation and are being monitored internally as well as externally on a semiannual basis and the monitoring reports being disclosed on ADB and NTDC/project websites. NTDC shall prepare LARPs/RPs for any subprojects with LAR impacts proposed under the Tranche 4 following this second updated LARF (2022) and implement them upon approval of ADB.

8. A project management unit (PMU) has been established and continues to function since planning of investment program with adequate staffs and resources to oversee day-to-day activities of the investment program. The PMU has already established an environmental and social impact cell (ESIC) with Safeguard Specialists. PMU will assign subprojects managers, and additional individual consultants to be recruited from T1 funds, to support T4 subprojects implementation. In addition, the National Engineering Services Pakistan (NESPAK) company will be engaged to provide supervision services (Construction Supervision Consultant, CSC) including in social and resettlement safeguards compliance monitoring and reporting .

Table 1: MFF Subprojects and Status of Social Safeguard Planning Documents

Contract Package	Subprojects details		LAR Impact and Safeguards documents
Tranche 1 (ADB Approval: 31 August 2016)			
Subproject 1: Expansion and augmentation of three 500/220 kV grid stations			
ADB-100	Extension of Sahiwal substation (SS)	Procurement and installation of one 600MVA, 500/220kV transformer along with allied equipment and accessories.	No LAR Impact.
	Extension of Lahore South SS	Procurement and installation of one 750MVA 500/220kV Transformer and two 500kV Line Bays, along with allied equipment and accessories.	
ADB-101, 101A	Extension and augmentation of Rewat SS	Procurement and installation of one 220/132kV 250MVA transformer along with allied equipment, and the replacement of one existing 220/132kV 160MVA transformers by one 220/132kV 250MVA transformer.	
Subproject 2: Protection rehabilitation in south area			
ADB-102 and ADB-103	Protection rehabilitation in south area.	Procurement and installation a shunt reactor (ADB-102); and additional protection equipment such as protection relays, fault recorders, fault locators & event recorders (ADB-103) in 11 substations in the southern region.	No LAR impacts.
Subproject 3: Faisalabad West (Phase-II) 500 kV substation			
ADB-105	Turnkey – 500 kV TL Multan - Gatti at Faisalabad West (Phase-II) 500 kV SS	Procurement and installation of the: (i) 500 kV double circuit transmission line in/out of 500 kV Multan-Gatti TL at 500 kV Faisalabad West (30 km);	Draft LARP (2016) was updated in 2019-2020. It was fully implemented after ADB's approval; 2nd portion of 500kV Faisalabad west to Lalian is not under Tranche 1 scope.
Subproject 4: Guddu power dispersal			
ADB-106	Guddu power dispersal	Civil Works: Installation of (i) 500kV TLs for lopping in/out of the D. G. Khan – Multan 500kV Muzaffargarh substation (10 + 10km); and (ii) 500kV Guddu New – Muzaffargarh TL (261km)	Draft LARP prepared in 2016. It was fully implemented and ADB approved LARP completion report on November 2020.
		Civil works, erection, testing & commissioning of 500kV	

Contract Package	Subprojects details		LAR Impact and Safeguards documents
ADB-108		transmission line Guddu -Muzaffargarh (74KM)	
		Lot-I: 500KV S/C TL Guddu - Muzaffargarh from Location No. 597 to Location No. 664 (22.7Km) Lot-II: i) 500kV S/C TL Guddu – Muzaffargarh from Location No. 664 to 725 (21.09km, approx.) and (ii) 500 kV D/C TL In-Out of DG Khan, Multan TL (7.6+7.6 km) and Interfacing of 500 kV circuit at Muzaffargarh.	
Tranche 2 (ADB Approval: 29 September 2017)			
Subproject 1: 220 KV Mirpur Khas Substation with associated transmission line			
ADB-200, Lot 1	Construction of new 220kV SS Mirpur Khas along with associated 220kV TLs.	In/Out of 220kV D/C TL Hala Road – Jamshoro at Mirpur Khas (70km) &D/C TL T.M. Khan – Hala Road (25 km)	Draft LARP for SS and TL was prepared in 2017. LARP for SS was updated through an addendum and implemented in Oct 2019 Third-party monitoring/validation report was issued in 2020 TL component has moved to tranche 4-currently under processing.
Subproject 2: Turnkey of 220 kV Zhob S/S and extension at D.I. Khan S/S			
ADB-200, Lot 2	Construction of new 220kV SS Zhob along with associated 220kV TLs.	New 220kV Zhob S/S with 2x160 MVA transformers and extension of two-line bays at D.I. Khan S/S.	Draft LARP prepared in 2017. Land acquisition completed and payment of compensation made to the only landowner in accordance with the land price agreed by landowner. The landowner has been fully compensated already and the LARP has been updated through an addendum LARP.
Subproject 3: Construction of New 220 kV Guddu-Shikarpur-Uch-Sibi Transmission Line			
ADB-201	Construction of 220kV TL	Lot 1 :220 kV D/C TL from D.I. Khan to Zhob SS (210.76 km) – SARA	Lot 1: Draft LARP prepared in 2017. Updated LARP,

Contract Package	Subprojects details		LAR Impact and Safeguards documents
	Guddu-Shikarpur-Uch-Sibi (360km).	Lot 2 :220 kV TL Guddu – Shikarpur (150 km). Lot 3: 220 kV TL Shikarpur – Uch (92.6 km). Lot 4: 220 kV TL Uch-Sibbi (120.57 km)	approved by ADB in Dec 2021, is currently under implementation and is being monitored. Last semi-annual monitoring report for July-Dec 2021 has been issued and disclosed. LARPs of remaining lots ii-iv are under updating by NTDC.
Subproject 4: Supervisory control and data acquisition (SCADA) and Revenue Metering System (RMS)			
ADB-202R	System update	NTDC's component: SCADA System upgrade LDS III CPPAG RMS metering system installation	No LAR impacts. NO LAR impacts. A SDDR has been prepared.
Tranche 3 (ADB Approval: 28 June 2018)			
Subproject 1: Lahore North Grid Station and associated TL			
ADB-300 A	Construction of New Lahore North Grid station and extension of Nokhar S/S	Procurement of plant-design, supply, installation, testing and commissioning of 500kV Lahore North S/S and extension at 500kV Nokhar S/S.	Draft LARP prepared in 2018. Land acquisition process completed in July 2021 and payment to landowners under progress based on land award by the government. Updating of LARP and preparation of a livelihood restoration plan (LRP) still under progress, expected in July 2022.
ADB-301 D	Procurement only	Procurement of supply of transmission line construction equipment and live line crew equipment	No LAR impacts
ADB-301E	Procurement only	Procurement & supply of fog resistant insulators for enhancing grid resilience to air pollution in heavily polluted area.	No LAR impacts
ADB-300D	Procurement and replacement of	Lot-1: Procurement of 500kV Shunt Reactors for Gatti& Sheikhpura Substations Lot-2: Replacement of 2 Nos. 500/220kV, 450 MVA Auto	No LAR impacts

Contract Package	Subprojects details		LAR Impact and Safeguards documents
	Shunt reactors and transformer	transformer Banks at 500kV Gatti substation.	
ADB 300E	Procurement of protection equipment only	Procurement of Protection equipment for Asset Management (North region).	No LAR impacts
ADB-301A	Installation of 500 kV TL Nokhar S/S to Lahore North 135 km TL	Procurement of plant-design, supply, installation, testing and commissioning of 500 kV TL Nokhar S/S- Lahore North S/S- Lahore HVDC switching/ converter station (135 km)	Draft LARP prepared 2018. It shall be updated based on DED and this 2 nd updated LARF.
ADB-301B	Procurement of plant, design, supply, installation, testing and commissioning of three 220kV TL:	Procurement of plant, design, supply, installation, testing and commissioning of 220kV TLs: Turnkey of 220kV lines associated with 500kV Lahore North SS: i) 220kV Kala Shah Kaku –Ghazi Road TL in/out at Lahore North S/S (17km) ii) 220kV Kala Shah Kaku – Ravi TL in/out at Lahore North S/S (17km) iii) 220kV Sheikhpura – Ravi TL in/out at Lahore North S/S (15km)	Draft LARP prepared 2018. Sectional LARPs will be updated based on DED and this 2 nd updated LARF
ADB-301 C	Installation of TL	Procurement of plant-design, supply, re-conducting, testing, and commissioning of 220 kV HTLS D/C TLs. (i) 220kv Sheikhpura – Bund Road (26km) 220kV Bund Road-New Kot Lakhpat (18km) and faulty portion of 220kV Gatti-Bandala TL (5 km)	Draft LARP prepared 2018. LARP will be updated based on DED and route survey and 2 nd updated LARF.
Subproject 2: 500kV Maira Switching Station			
ADB-300 B	Installation of TL	Procurement of plant- design, supply, installation, testing and commissioning of 500kV Maira Switching station	Draft LARP approved in May 2018. Section-10 &11 of LAA is in process. The LARP will be updated based on DED and this 2 nd updated LARF.
Subproject 3: 220 kV Jauharabad Substation with Associated TL			
ADB-300 C	12 km Jauharabad TL	Procurement of plant-design, supply, installation, testing and commissioning of Jauharabad 220kV substation and	Draft LARP prepared in 2018. Land for SS acquired in May

Contract Package	Subprojects details		LAR Impact and Safeguards documents
		associated transmission line (12 km)	2021 and land compensation to DPs paid already based on the government's land award. Overall LARP of SS+TL will be updated based on DED (yet to be finalized by the contractor) and this 2 nd updated LARF.
Subproject: 4 Grid Connected battery energy storage system pilot project			
ADB-302	Procurement and installation of battery storage	Procurement of plant-design, supply, installation, testing and commissioning of grid connected battery energy storage system pilot project	No LAR impacts
Tranche 4 (Under Preparation)			
Subproject 1: 220kV Hala Road Jamshoro to Mirpur Khas New Substation TL (Sindh province)			
ADB 201A package	Turnkey contract for design, supply, installation, testing and commissioning of 220kV transmission line for looping in/out of the proposed Hala Road Jamshoro 220kV s/c transmission line at Mirpur Khas New (approximately 67 km);		Draft RP is under ADB's review and approval. It shall be updated based on DED and TLs' final route and this 2 nd updated LARF.
Subproject 2: 220kV Jamshoro TM Khan 220 kV D/C T/L to Hala Road 220 kV Substation			
ADB 401D	Turnkey contract for design, manufacture, supply, installation, testing & commissioning of 220kV double circuit transmission line for looping in/out one circuit of the existing Jamshoro T.M. Khan 220kV D/C T/L at Hala Road 220kV Substation (approximately 26 km in total);		Draft RP is under ADB's review for approval. It shall be updated based on DED and TLs' final route and this 2 nd Updated LARF.
Subproject 3: Procurement of goods for extension, addition, and augmentation and extension of the existing substations (SS);			
ADB 401E	<ul style="list-style-type: none"> (i) 500kV Rawat SS, (ii) 500kV Dadu SS, (iii) 500kV Faisalabad West SS, (iv) 500kV Lahore (Sheikhpura) SS, (v) 500kV New Multan SS, (vi) 500kV Sheikh Muhammadi SS, 		Draft Social Audit Report is prepared for all nine existing substations

Contract Package	Subprojects details	LAR Impact and Safeguards documents
	(vii) 220kV Guddu SS, (viii) 220kV Dharki SS, and (ix) 220kV Bahawalpur SS); (x) 500kV Rahim Yar Khan GS	
Subproject 4: Procurement of goods for the construction of 220kV Jamrud grids station and approximately 20 km of the associated 220V Jamrud-Sheikh Muhammadi transmission line in the south-wester area of Pakistan		
ADB-401F	(i) 220kV Jamrud grids station ; and approximately 20 km of the associated 220V Jamrud-Sheikh Muhammadi transmission line	Draft LARP required. Draft LARP shall be updated based the 2 nd updated LARF and final DED.
Subproject 5: Procurement of goods for construction of two 220kV transmission lines of approximately 255 km interlinking of 220kV Dharki – Rahim Yar Khan and Bahawalpur grid stations in the south-eastern area of Pakistan, and expansion of transmission;		
	(i) construction of two 220kV transmission lines of approximately 255 km interlinking of 220kV Dharki – Rahim Yar Khan, and (ii) Bahawalpur grid stations, and expansion of transmission;	Draft LARP required. Draft LARP shall be updated based the 2 nd updated LARF and final DED.
Subproject 6: Procurement of goods for operation and maintenance of NTDC assets to reduce the substations breakouts.		
	(i) Procurement of goods/spare parts for operation and maintenance of NTDC assets	No need for RP/LARP as it is equipment for the system maintenance (not for the dedicated SS)

*LARP/RPs may have the scope of work slightly revised based on the actual contract packages.

D/C =Double circuit, km=kilometer, kV=kilovolt, MVA=megavolt-ampere, MVAR=megavolt-ampere reactive, MW= megawatt, SAS = Substation automation system, TL = transmission lines.

II. LAND ACQUISITION AND RESETTLEMENT PROCESSING REQUIREMENTS

9. Under the investment program, private lands (where needed) will be acquired for the projects needs following the Land Acquisition Act of 1894 (LAA), relevant Provincial Laws and Ordinances, and ADB SPS 2009. For a subproject to be considered for funding under the investment program and its tranches, the following requirements shall be fulfilled fully:

- (i) This 2nd updated LARF (2022) is applicable to all subprojects under the investment program. It will be reviewed and, if required, updated, and will be submitted to ADB for approval as a condition to access each new tranche under the MFF2;
- (ii) The Initial Poverty and Social Assessment (IPSA) for each tranche will be prepared indicating if the LAR impacts are likely to occur, along with the type and magnitude of any impacts, and whether Indigenous Peoples (IPs) may be affected;
- (iii) For each subproject under a tranche that has LAR impacts (involving acquisition of private land and other resettlement impact on private assets and livelihoods), a LARP shall be prepared for implementation in accordance with SPS 2009, LAA 1894 and other applicable laws, acts and regulations. In cases where a subproject may not have any LAR impact as defined by SPS (2009), a SDDR and/or Social Audit Report (SAR) shall be prepared.
- (iv) In cases, the detailed engineering design (DED) is not yet ready and the exact locations of the subproject's components are not known yet, a draft LARP/RP and/or a draft SDDR/SAR shall be prepared following this Updated LARF and available information at the time of preparation. The above-mentioned draftLARPs/RPs and/or draft SDDRs/SARs shall be updated and finalized based on DED, site-specific conditions, census of all AHs/APs, field surveys and inventory of losses, and feedback received during conduct of meaningful consultations with APs;
- (v) The LARPs/RPs and SDDRs/SARs shall include detailed information on how potential LAR impacts have been avoided an/(or minimized, and how the unavoidable impacts shall be mitigated. These documents shall also include records and details of transfer of government-owned lands (if any) to another government department for the needs of the subprojects under the investment program.
- (vi) The LARPs/RPs shall provide details of compensations and entitlements to AHs, and where relevant, livelihood rehabilitation/restoration plan(s) shall be prepared and implemented;
- (vii) LARPs/RPs implementation shall be validated by an independent external monitoring agency (EMA) before access to the land and hand-over to the contractors for civil works on LAR impacted sections of subprojects shall be allowed.

10. According to SPS (2009), the content and complexity of the LARPs/RPs and IPP (if required) will depend on the scale and severity of each subproject's LAR and IP impacts, which will be categorized for Involuntary Resettlement (IR) and Indigenous Peoples (IPs) impacts. For category A and B projects (IR and IP), LARPs and IPPs shall be prepared while for category C

projects (whether IR or IPs or both) a SDDR/SAR shall be prepared.¹ Appendix A provides outlines for preparation of the LARPs/RPs.

11. Each periodic financing request (PFR) under this investment program shall be conditional upon the appraisal of each tranche. The approval of the start of any subproject's civil works shall be conditional on the following LAR appraisal work:

- (i) **MFF and tranche appraisal:** Conditional on the preparation, updating and approval of an updated LARF (2022) by NTDC and ADB.
- (ii) **PFR approval:** Conditional on (a) approval of this 2nd Updated LARF, (b) preparation of draft LARP/RP and/or draft SDDR/SAR for respective subprojects; and (c) preliminary disclosure of the above-said documents in websites of ADB and NTDC. NTDC shall prepare subproject-specific detailed action plan on review, update and finalization of draft LARPs/RPs and SDDRs/SARs based on the final DED.
- (iii) **Following tranche review:** Conditional on (a) review and update of LARF (if required), and (b) for each subproject, review and update of the draft LARPs/RPs and/or SDDRs/SARs in accordance with any updates in the ADB-approved LARF.
- (iv) **Update and finalization of LARPs/RPs and SDDRs:** The subproject's draft LARP/RP and/or draft SDDR shall updated and finalised based on the final DED, final sites/alignments, complete census of DPs, land acquisition, inventory of losses (IOL), entitlement matrix, and other standard sections of a LARP (sample outline of LARP/RP in Appendix A). NTDC PIU shall ensure the Updated final LARPs/RPs are implementation-ready prior to submission to ADB for approval and disclosure. The LARPs/RPs shall be further updated if there are changes in the subject subproject's DED, sites/alignment, or any unanticipated LAR impact identified during the project implementation. NTDC shall seek ADB's concurrence prior to final LARP/RP's implementation. For linear works such as TLs subprojects, NTDC shall submit for ADB's approval an updated LARPs/RPs with full justification and implementation schedule for phase/sectional approach for its implementation.
- (v) **Bidding documentation and award of contracts:** Award of civil works contracts is conditional on: (a) approval of ADB on the updated final LARP/RPs or SDDR for regular contracts. However, for EPC/turnkey subprojects inclusion of the draft LARP and/or draft SDDR in bid and contract documents will be necessary together with contract provision on updating the LARP/RPs or SDDRs once sites/alignments are fixed, or DED is available (whichever comes earlier) and confirmation of LARP/RP indicative budget in subproject's cost and confirmation of payment mechanism. For TLs, already at the bidding stage, NTDC will reflect the estimated LAR cost as a line item in contract BOQ to ensure advance

¹ For Involuntary Resettlement (IR), a proposed project is classified as category A if it is likely to have significant involuntary resettlement impacts. A resettlement plan, including assessment of social impacts, is required. 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. ADB Operations Manual: Safeguard Policy Statement (F1): OM Section F1/OP Issued on 1 October 2013. Project is assessed as Category C for Indigenous People Safeguards following ADB Safeguards Policy Statement (SPS 2009). No indigenous people or any ethnic minority groups live in the project area and ADB SPS requirements on indigenous people safeguards are not triggered, and no actions will be required.

availability of LAR funds (through an advance withdrawal) to the Contractor and include an additional provisional amount if the estimated LAR cost will overrun. Civil works contract provisions shall further outline the sectional approach for LARP/RP preparation and 3-tiers compensation payments approach for LARPs/RPs implementation, including requirements to report on LAR planning and implementation in the monthly progress reports to be submitted by the Contractor to the NTDC and validated through CSC's safeguards specialists and EMA. The NTDC will ensure that Contractor's work program should be synchronised with LARP/RP update and implementation targets (LARP/RP will be updated by the NTDC) as aligned with the site access, start of installation works and 3 tiers compensation schedule, before each three stages of construction works. The NTDC shall ensure incorporating safeguard provisions and mitigation measures in Contractor's contractual obligations, including on followings:

- a) Contractor shall not start any works at any LAR affected site, and no physical or economic displacement takes place thereto in connection to each of the construction phases unless (i) all relevant provisions of the subproject's LARP/RP have been complied with and compensations have been duly paid as per the LARP/RP following 3-tiers/phased compensation payments mechanism before start of construction works at each three stages of construction works (towers foundations, towers erections, and stringing); and corresponding external monitoring report is prepared by the EMA and approved by ADB upon compensation payments at each 3 tiers compensation schedule, (ii) written Notice to commence construction works is issued by the project manager to the Contractor which shall specify the date on which access to, and possession of the LAR affected site, and/or part of it as feasible;
 - b) Contractor shall provide NTDC with written notice of any unanticipated/emerging residual LAR impacts, and/or indigenous peoples impact risks if such arise during construction, implementation, or operation of the project which are not identified in the LARP/RP;
 - c) Continual consultations with and management and resolving grievances of APs following the project GRM of the LARF/LARP and reporting thereof; and
 - d) Contractor employs in the project construction works, the interested members of vulnerable and/or severely affected by involuntary resettlement AHs, as feasible based on required skills. The PMU project manager shall provide to the Contractor(s) the list of work-able persons from the identified vulnerable and severely affected AHs interested in employment in the project works.
- (vi) **Start of construction work:** Conditional on: (a) full implementation of updated LARP approved by ADB and approval of the EMA's LARP compliance monitoring report by ADB; (b) for linear works such as transmission lines, section-wise LARP implementation with full payments of compensations to the DPs (and assistance allowances to eligible APs) before displacement as per 3-tiers compensations payment schedule and before each three stages of construction works (towers foundations, towers erections, and stringing of conductor) and EMA's external monitoring report, as detailed in para 13 hereto ("3-tiers compensations payment mechanism for transmission lines"); and ADB-agreed implementation schedule and acceptance by ADB of the section-wise LARP compliance report as validated by external monitor team EMA/consultant

- (vii) 1st tier payment (towers foundations)- prior to access the site and commencement of construction works;
- (viii) 2nd tier payment (towers erections)-p Prior to commencement of towers erection works, payments for LAR impacts related to towers erection shall be disbursed to AHs by the Contractor as per verified impacts and final LARP provisions, including for any residual LAR impacts if emerged during and/or after construction of towers' foundations and compensation amounts thereof; and
- (ix) 3rd tier payment (stringing of conductor)- prior to commencement of installation works, payments for LAR impacts related to stringing works will be disbursed to AHs by the Contractor as per verified impacts and final LARP provisions including for any residual LAR impact if emerged during and/or after towers' erection and stringing works, and compensation amounts thereof for ADB's approval of external monitoring reports upon completion of compensation payments at each 3-tier a section/tier; and
- (x) Payment of compensations at each of 3 tiers above shall be validated by an independent EMA and the external monitoring reports shall be approved by ADB: The EMA shall verify 100% record of payments of affected households' (100% desk-based verification and plus field verification by a sample individual interviewing of 10-%15 of affected households who received payments) to verify receipt of compensation (and assistance allowances where applicable) as per approved updated LARP.
- (xi) Issuance by NTDC of a written notice authorizing the handover of site or each section of a site in line with the implementation schedule. NTDC will reflect the same procedure in its Standard Operating Procedures.
- (xii) **Completion of work:** Conditional on external monitoring report on reinstatement or restoration of land at least to its pre-project work condition or better, and completion of payments for any residual impacts/losses caused by the project activities such as, but not limited to, tower erection and stringing works in transmission line subprojects. NTDC shall submit a final LARP/RP compliance implementation report and periodic internal semi-annual safeguard monitoring reports for ADB's review and clearance for the corresponding subproject/component.

12. Large transmission line projects such the subprojects under this investment program will require a sectional approach in finalizing the DED. In general, NTDC requires contractors to prepare DED of 10- to 20-kilometer sections of the transmission lines. This is to ensure that the overhead power line design will maintain adequate clearance between energized conductors and the ground to prevent dangerous contact with the line, and to provide reliable support for the conductors, resilience to storms, ice loads, earthquakes, and other potential damage causes. Thus, for the transmission line subprojects, it is not possible to identify the full scope of LAR impacts at the time of contract award. Therefore, the draft LARPs/RPs update and finalization (and reconfirmation of findings of SDDR for TL's sections with preliminary assessed no anticipated no LAR impact) shall follow the sectional DED preparation and be completed for sections where the DED is prepared.

13. Construction of TLs involves the following activities after the contract award:²

- (i) **Pre-construction:** this phase involves impact studies, best routing and carrying out several surveys prior to design of transmission system to ensure technical, financial, environmental viability and identification of potential LAR impacts, and alternatives to avoid, and/or minimize impact as possible. It will also involve identification of locations for digging of soil for tower base, development of quarrying sites, stacking area for construction material etc., marking of trees/vegetation for cutting at the tower base and for trimming inside the right of way, access roads etc. Once the contractor finalizes the route of the transmission line, the information will be submitted to NTDC for approval. NTDC will field a staff (Revenue staff i.e., ALAO) to (a) mark the areas likely to be damaged during implementation of project and cause resettlement impact and livelihoods loss, (ii) determine the rates of loss crops and trees from local administration (iii) assess and estimate compensation payment for each DP. This is also the stage for planning resettlement activities, preparation and updating the LARP/RP and scheduling the compensations payments to DPs for their losses.
- (i) **1st tier/stage–site preparation and towers foundations’ construction;** considerable preliminary work is needed before the start of actual construction works of erecting the foundation (tower base). This preliminary work includes detailed planning, payment of compensations, approval process, tree-felling on TLs routes within the ROW, access road building, and work site facilities (usually for about every 10-20km sections). Foundation construction begins with the auguring of holes for footings (four for lattice steel towers [LSTs] and one for tubular steel poles [TSPs]).³ After the footing holes are excavated, they are reinforced with steel and then concrete is poured into the holes. The drying of foundation depends on the time of the year and the weather. In summer, the foundation is ready for use after 1 to 2 weeks, whereas in winter the foundation dries for about 3 to 4 weeks. Once the concrete has cured, the contractors can begin the construction of the structure itself.
- (ii) **2nd tier/stage–tower structure construction/tower erection.** The lattice structure tower parts are moved/loaded manually up to the erection point and then lifted manually/using chain pulleys to the top.
- (iii) **3rd tier/stage–wire-stringing operations.** After all structures are erected in an area, the next step is to install conductor (wire). Conductor is pulled from one structure to the next through a pulley system temporarily placed on the structures. After a section of conductor is pulled through a series of structures, the conductors are attached to insulators, which are attached to the structure and the pulleys are removed.
- (iv) **Land restoration on the sites.** Once all the work has been completed, land reinstatement to at least pre-project works condition, reforestation, and recultivation are carried out.

14. **3-tiers/phased compensations payment mechanism for TLs.** NTDC’s draft Standard Operating Procedures (SOP) specify its “Compensation before Damages

² Handbook on Construction Techniques: A Practical Field Review of Environmental Impacts in Power Transmission/Distribution, Run-Of-River Hydropower and Solar Photovoltaic Power Generation Projects <https://www.adb.org/sites/default/files/institutional-document/179895/handbook-construction-techniques.pdf>.

³ For LSTs, each hole is usually 3 to 4 feet wide and 15 to 30 feet deep. TSPs require one hole that is up to 8 to 12 feet wide and 40 to 60 feet deep.

Policy". For the TLs, the following LARP/RPs preparation, implementation, and compensation arrangements shall be applied in line with the 3-tier/phased construction works described in the previous paragraph.

- (i) Based on a sectional DED (or whole site, as the case may be), a sectional LARP (or whole site LARP, as the case may be) shall be prepared and updated taking into account all LAR impacts for all three tiers within the corresponding TL's section (or whole site, as the case may be);

1st tier compensation and entitlements payment (towers foundations). Prior to access the site and commencement of construction works, payments for all LAR impacts including for permanent restriction of land use rights under tower footings, loss of crops and trees, structures and any other assets and livelihoods, which will incur due to construction of towers foundations construction shall be paid to AHs by the Contractor as per verified impacts and approved final LARP provisions. This includes payments of compensation against damages which will incur due to the construction of foundations and access roads, including additional assistance allowances for eligible APs as specified by the LARP. To complete the above-mentioned:

- (a) PMU shall issue AHs list and compensation vouchers to the Contractor for payment of compensations and entitlements to APs for this 1st tier. ⁴
- (b) Contractor shall pay each of AHs on the list and submit bank records (or where applicable, other documentation) within 3 weeks to the PMU as proof of payment to AHs and request PMU to reimburse actual cost within the contractual terms;
- (c) EMA shall conduct external monitoring to verify payment of compensation (and assistance allowances where applicable) to each AHs (or APs as the case may be) for this 1st tier according to the approved updated LARP. This external monitoring shall verify 100% records of payments of AHs received (100% desk-based verification and plus field verification by a sample individual interviewing of 10-%15 of AHs who received payments). The external monitoring conducting and report submission to ADB shall be completed within 3 weeks upon payment of compensations to AHs.
- (d) Upon ADB's approval of external monitoring and issue of Non-Objection, the PMU shall issue a Notice to Proceed (NTP) to the Contactor to access the whole Site or relevant section of Site for the purpose of foundation construction and access road only.

- (ii) **2nd tier compensation and entitlements payment (towers erections):** Prior to commencement of towers erection works, payments of compensations for LAR impacts related to towers erection shall be disbursed to APs by the Contractor as per verified impacts and final LARP provisions, including for any residual LAR impacts if emerged during and/or after construction of towers' foundations and compensation amounts thereof. This includes payments of compensation against damages to crops, trees or any other physical infrastructure which will incur due to towers' erections, including additional

⁴ The TLs contracts will include specific clauses on contractual obligations of the Contractor on issuing cheque for payment of compensations to each AHs/APs, and other applicable requirements under this updated LARF (2022) and subproject's LARP/RP. The budget is a BOQ item and provisional sum under the contract.

assistance allowances for eligible APs specified by the LARP/RP. To complete the above-mentioned,

- (a) PMU shall issue APs list and compensation vouchers to the Contractor for payment of compensations and entitlements to APs for this 2nd tier;
- (b) Contractor shall pay each of APs on the list and submit bank records (or where applicable, other documentation) within 3 weeks to the PMU as proof of payment to APs and request PMU to reimburse actual cost within the contractual terms;
- (c) EMA shall conduct external monitoring to verify payment of compensation (and assistance allowances where applicable) to each AHs (or APs as the case may be) for 2nd tier according to the approved updated LARP. This external monitoring shall verify 100% records of payments of AHs received (100% desk-based verification and plus field verification by a sample individual interviewing of 10-%15 of AHs who received payments). The external monitoring conducting and report submission to ADB shall be completed within 3 weeks upon payment of compensations to APs.
- (d) Upon ADB's approval of external monitoring and issue of Non-Objection, the PMU shall issue a Notice to Proceed (NTP) to the Contactor to access the whole Site or relevant section of Site to commence construction activities related to erection of towers only.

(iii) **3rd tier compensation and entitlements payment (stringing of conductor):** prior to commencement of installation works, payments for LAR impacts related to stringing works will be disbursed to AHs by the Contractor as per verified impacts and final LARP provisions including for any residual LAR impact if emerged during and/or after towers' erection, and compensation amounts thereof. This includes payments of compensation for any land impacts, permanent restriction of land use rights, loss of crops, trees or any other physical infrastructure which will incur in the corridor of impact of the conductors (wire), including additional assistance allowances for eligible AHs as specified by the LARP/RP. To complete the above-mentioned:

- (a) NTDC shall issue APs list and compensation vouchers to the Contractor for payment of compensations and entitlements to APs for this 3rd tier;
- (b) Contractor shall pay each of APs on the list and submit bank records (or where applicable, other documentation) within 3 weeks to the PMU as proof of payment to APs and request NTDC to reimburse actual cost within the contractual terms;
- (c) EMA shall conduct external monitoring to verify payment of compensation (and assistance allowances where applicable) to each AHs (or APs as the case may be) for 3rd tier according to the approved updated LARP. This external monitoring shall verify 100% records of payments of AHs received (100% desk-based verification and plus field verification by a sample individual interviewing of 10-%15 of AHs who received payments). The external monitoring conducting and report submission to ADB shall be completed within 3 weeks upon payment of compensations to APs.
- (d) Upon ADB's approval of external monitoring and issue of a no-objection, the NTDC shall issue a Notice to Proceed (NTP) to the Contactor to access the whole Site or relevant section of Site to commence construction activities related to line stringing.

- (iv) Upon completion of the 3rd tier compensation payments and LARP implementation, including for any residual impacts related, but not limited to, tower erection and stringing activities, and path access activities on a section (or the whole Site, as the case may be), NTDC shall prepare a final sectional (or the whole Site, as the case may be) LARP compliance report verified by an EMA to confirm the closure of any outstanding remediation issues, for ADB's review and approval.
15. Overall, PMU shall implement the following procedures for TLs subprojects:
- (i) The draft LARP/RP prepared for a TLs subproject (for the whole Site or relevant section of Site, as the case may be) which will include the implementation schedule for completion of DED, detailed action plan on preparation of Updated and final LARPs/RPs, responsibilities, and approval requirements.
 - (ii) NTDC shall seek concurrence of ADB on the Draft LARP, timeline of submission of the updated final sectional LARPs, sectional (or whole Site) LARP compliance report including EMA's sectional/tier-wise LARP compliance monitoring reports, semi-annual social internal monitoring reports, and bi-annual external monitoring reports, and other contractual conditions as may be required. NTDC will reflect sectional LARP preparation requirements and sectional and tier-wise handover procedures (as presented in paragraph above) in civil works contracts to ensure alignment of contractor's works program with LARP update and implementation activities. NTDC make sure PMU will not issue a notice to hand-over sites or start any TLs' construction works until the corresponding above-stated tier-wise compensation completed and the EMA's report for payments of compensations to APs at each tier has been submitted to ADB and accepted by ADB as described in paragraph 13 above.
 - (iii) To ensure timely update of LARP/RP and its implementation:
 - a. Upon receipt of the DED for each section (or whole Site, as the case may be), NTDC will inform the PMU and ESIC to determine any LAR impact. ESIC (with support of CSC) will assess LAR impacts, determine compensations at replacement cost as required by ADB SPS (2009) and entitlements to APs, and update the LARP/RP within one month. The ESIC shall submit the assessed compensation rates to PMU for approval;
 - b. The updated LARP/RP for the section (or whole Site, as the case may be) shall cover all LAR impacts and compensation and entitlement costs for all 3 tiers/stages, and shall be submitted to ADB for approval and disclosure;
 - (iv) Once the updated LARP/RP is approved by ADB, PMU will issue APs list and compensation vouchers to the Contractor for payment of compensations and entitlements to APs for a corresponding tier (as per process for each tier described in paragraph 13 above). The contractor shall pay each of APs on the list and submit bank records (or where applicable, other documentation) within 3 weeks to the employer as proof of payment to APs and request NTDC to reimburse actual cost as per contractual terms.
 - (v) EMA shall conduct external monitoring to verify payment of compensation (and assistance allowances where applicable) to each AHs (or APs as the case may be) at each 3 tiers according to the approved updated LARP and submit external

monitoring report to ADB for approval (as per process and requirements in paragraph 13 hereto). This will be as a condition to move to the next tier of installation works;

- (vi) The LARP compliance report including the payment verification by EMA monitoring report will be submitted to ADB for review and acceptance. Once the LARP/RP compliance report is accepted by ADB and ADB issues No-Objection, PMU will issue NTP to Contractor to start works on a corresponding section of a site for a corresponding tier of installation works.
- (vii) The whole process of assessment of LAR impacts, updating of LARP/RP compensation disbursement to AHs, preparation of reports, and approval by ADB is estimated to take about 3 months. This will be taken into consideration in the subproject's implementation schedule.
- (viii) If additional funds are required for any residual impacts and compensation and entitlements payment to AHs, PMU will request NTDC's Finance Director for release of additional funds.
- (ix) Upon completion of the 3rd tier compensation payments and LARP/RP implementation including for any residual impacts related, but not limited to, tower erection and stringing activities, and path access activities on a section (or the whole Site, as the case may be), PMU will submit a sectional (or the whole Site, as the case may be) final LARP compliance report for ADB review and clearance for a corresponding subproject component.

III. LEGAL AND POLICY FRAMEWORK

16. The LARF was approved in May 2016, first updated in March 2021, and 2nd updates made hereto, has been prepared and endorsed by NTDC following ADB's SPS 2009 and with reconciliation of gaps with Pakistan's laws regulating land acquisition and resettlement, mainly the Land Acquisition Act (LAA, 1894) and Telegraphic Act (TA 1885) and. A set of reconciliatory measures have also been provided in this 2nd updated LARF (2022) to resolve any gaps between Pakistan's LAA 1894, TA (1885) and ADB SPS 2009. These are explained in detail below.

A. Telegraphic Act 1885

17. In case of impacts caused by poles and towers for public facilities and TLs, the land acquisition is not regulated by the LAA but instead by the Telegraph Act, 1885 (amended in 1975). The original provision of this law was that the land occupied by telegraph poles was not to be compensated (only crops destroyed during the erection of the pole were compensated). This was based on the logic that a pole, covering only a negligible land area, does not cause substantial impacts to land users. This, however, is no longer the case once the same provision is extended to transmission towers.

18. The Telegraph Act (Section 11) confers powers on NTDC to enter private lands and (Section 10) construct/maintain electric poles and lines without the need to acquire the affected land and paying compensation for it. However, the Sub-section 10 (d) provides that NTDC is required to avoid causing unnecessary damages to the affected land and associated assets. Section 16 provides that if any such damage occurs (i.e., damages to crops, irrigation facilities, and land quality or land income); the proponent (NTDC) has to provide compensation for the damages.

19. To accommodate the needs of affected persons (APs) in a manner fitting the LAA 1894 and SPS 2009, the NTDC has agreed to apply the TA 1885 carefully and in a manner consistent with the requirements of SPS 2009 by:

- (i) compensating all land and land-based assets occupied by towers in urban areas at current market rates that commensurate full replacement costs.
- (ii) by avoiding land impacts in rural areas through the use of towers with sufficient vertical clearance to allow the continuation of unrestricted farming and animal grazing; and compensating the land and assets in rural areas where access to land and assets is permanently restricted. Clear analysis of the area restricted under the tower or tower footage with compensation at current market rate/replacement costs will be provided in the subproject specific LARP/RP.
- (iii) in addition, NTDC will also compensate all crops, trees and any other asset affected by transmission in three phases i.e., (a) construction of tower bases; (b) tower erection; and (c) stringing.

20. Compensation disbursement in a phased manner will be applied in the subprojects, to monitored internally by NTDC and reported to ADB, and validation of internal reports by and EMA that shall be engaged by NTDC.

B. Land Acquisition Act (LAA 1894)

21. The LAA 1894 with its successive amendments is the main law regulating land acquisition for public purpose at federal and provincial levels through the right of exercise of eminent domain. The LAA has been variously interpreted by Provincial governments, and some provinces have augmented the LAA by issuing provincial legislations and province-specific rules such as Punjab Land Acquisition Rules 1893. The LAA, nevertheless, requires that following an impacts assessment/valuation effort, land and crops are compensated in cash at market rate to titled landowners and registered land tenants/users, respectively. The LAA mandates that land valuation to be based on the latest three (3) years average registered land sale rates, though, in several recent cases the median rate over the past 1 year, or even the current rates, have been applied.

22. Based on the LAA, only legal owners and tenants registered with the Land Revenue Department or with formal lease agreements are eligible for compensation/livelihood support. For those without title rights, there are no laws in Pakistan either at federal or provincial levels. However, there are practices in Pakistan in which unregistered people affected by the project including tenants and other forms of displaced persons (DPs-sharecroppers and squatters) have also been paid compensation. However, LAA 1894 neither automatically provides any specific provisions for rehabilitation assistance benefiting poor and vulnerable groups and severely affected DPs, nor does it overtly provide for rehabilitation of income/livelihood losses or resettlement costs. Such rehabilitation assistance has been considered in this 2nd updated LARF (2022) for unregistered DPs also in accordance with SPS 2009.

23. The LAA deals with matters related to the acquisition of private land and other immovable assets that may exist on it when the land is acquired for public purpose. The right to acquire land for public purposes is established when Section 4 of the LAA is triggered. The LAA specifies a systematic approach for acquisition and compensation of land and other properties for development projects. It stipulates various sections pertaining to notifications, surveys, acquisition, compensation, and apportionment awards along with dispute resolution, penalties, and exemptions. Surveys for land acquisition are to be disclosed to the displaced persons. Table 2 below provides salient features of major sections of the act:

Table 2: Salient Features of Pakistan's LAA 1894

Key Sections of LAA	Salient Features
Section 4	Publication of preliminary notification and power for conducting survey.
Section 5	Formal notification of land needed for a public purpose. Section 5a covering the need for enquiry of the concerns or grievances of the affected people related to land prices.
Section 6	The Government makes a more formal declaration of intent to acquire land.
Section 7	The Land Commissioner shall direct the Land Acquisition Collector (LAC) to take order the acquisition of the land.
Section 8	The LAC has then to direct that the land acquired to be physically marked out, measured and planned.
Section 9	The LAC gives notice to all DPs that the Government intends to take possession of the land and if they have any claims for compensation then these claims are to be made to him at an appointed time.
Section 10	Delegates power to the LAC to record statements of the DPs in the area of land to be acquired or any part thereof as co-proprietor, sub-proprietor, mortgage, and tenant or otherwise.
Section 11	Enables the Collector to make enquiries into the measurements, value and claim and then to issue the final "award". The award includes the land's marked area and the valuation of compensation.
Section 16	When the LAC has made an award under Section 11, he will then take possession and the land shall thereupon vest absolutely in the Government, free from all encumbrances.
Section 17/4	Land acquired compulsorily and by use of emergency procedures. This section will not be applied in ADB financed projects.
Section 18	In case of dissatisfaction with the award, DPs may request the LAC to refer the case onward to the court for a decision. This does not affect the Government taking possession of land.
Section 23	The award of compensation to the title holders for acquired land is determined at i) its market value of land, ii) loss of standing crops, trees and structures, iii) any damage sustained at the time of possession, iv) injurious affect to other property (moveable or immoveable) or his earnings, v) expanses incidental to compelled relocation of the residence or business and vi diminution of the profits between the time of publication of Section 6 and the time of taking possession plus 15% premium in view of the compulsory nature of the acquisition for public purposes.
Section 28	Relates to the determination of compensation values and interest premium for land acquisition.
Section 31	Section 31 provides that the LAC can, instead of awarding cash compensation in respect of any land, make any arrangement with a person having an interest in such land, including the grant of other lands in exchange.
Section 48A	If within a period of one year from the date of publication of declaration under section 6 in respect of any land, the Collector has not made an award under section 11 in respect to such land, the owner of the land shall, unless he has been to a material extent responsible for the delay be entitled to receive compensation for the damage suffered by him in consequence of the delay.

C. Legislation Relevant to Land Classification

24. In terms of implementation of this 2nd updated LARF (2022), identification of the type of project affected land will be an important step in determining the eligibility for land compensation. Rural land includes irrigated land and un-irrigated land and is governed by the Land Revenue Act of 1967 which must be read in conjunction with the LAA 1894 and other legislation that may apply including the Punjab Alienation of Land Act of 1900, Colonization of Government Lands Act of 1912 and the various Land Reform Regulations. Rural land falls under the jurisdiction of revenue districts.

25. Land, other than rural land, is urban and including all permutations there-under such as residential, commercial, built upon and buildable, and is governed by various regulations and ordinances including the People's Local Government Ordinance of 1972 for each province, Cantonments Act of 1924, and Land Control Act of 1952. Urban land falls under the jurisdiction of Municipal and Local Government Authorities.

26. While there are broad definitions of rural and urban land in the People's Local Government Ordinances, such classifications are not immutable and have been, and are, changed by the Collector of Revenues and provincial governments over time. In general, it is either the People's Local Government Ordinances or the Land Revenue Act that determines the classification of land, however there are some cases where both applies and other cases where different legislation altogether can indicate jurisdiction and classification over land. Hence there is neither a universal classification nor legislation pertaining to the land that will be potentially affected under a project/subproject. Therefore, during the field survey for the preparation of LARPs, the identification of land ownership will be done with the assistance of local people, village head man and field officers of revenue department including Patwari who keeps and maintains cadastral maps.

D. ADB's Safeguard Policy Statement 2009-Involuntary Resettlement Policy

27. The SPS 2009 is based on the following objectives: To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. The following principles are applied to achieve these objectives:

- (i) **Screen the project** early on to identify past, present, and future involuntary resettlement impacts and risks.
- (ii) **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.
- (iii) **Carry out meaningful consultations** with affected persons, host communities, and concerned non-government organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring & 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.
- (iv) **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 costs 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.
 - (v) **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.
 - (vi) **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.
 - (vii) **Develop procedures** in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter negotiated settlements will maintain the same or better income and livelihood status.
 - (viii) **Ensure that displaced persons without titles** to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
 - (ix) **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.
 - (x) **Disclose a draft resettlement plan or the compensation matrix**, eligibility criteria or rates determined for the affected land, structures, trees etc., 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.
 - (xi) **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.
 - (xii) **Pay compensation and provide other resettlement entitlements before physical or economic displacement**. Implement the resettlement plan under close supervision throughout project implementation.
 - (xiii) **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.
 - (xiv) **Disclose monitoring reports**.

E. Comparison of Pakistan’s LAA 1894, Telegraph Act 1885 and ADB SPS 2009

28. A comparison of Pakistan’s LAA 1894, TA 1885 and ADB’s Policy on Involuntary Resettlement (IR) shows gaps between the laws and ADB’s policy which need reconciliation (Table 3). The objective of this comparison is to identify if and where the two sets of procedures are in conformity with each other and more importantly where there are differences and gaps that need to be addressed. The key issue is that by following the ADB SPS 2009 requirements and procedures, the requirements of the Pakistan regulatory system become compliant with SPS. Conversely, if Pakistan systems are followed then there are likely to be shortfalls in comparison to the ADB policy requirements. The key ADB Policy Principles are (i) screen the project for past, present and future LAR impacts and risks early in the project cycle/ planning stage (ii) carry out meaningful consultations (iii) improve or at least restore the livelihoods of APs at least to the pre-project impact conditions and improve the livelihoods of the affected vulnerable groups (iv) pay compensation at full replacement costs and provide other resettlement entitlements to APs before their physical or economical displacement, (v) provide APs with adequate assistance (vi) ensure that untitled APs are also eligible for resettlement assistance and compensation for the loss of no-land assets and (vii) disclose all reports.

Table 3: Comparison of LAA and ADB SPS 2009

Pakistan’s LAA 1894 and TA 1885	ADB Safeguard Policy Statement (2009) and reconciliation measures
<p>TA 1885: It provides that land for tower construction or under a TL is not to be acquired or compensated if the land’s permanent productive potential is not affected. It provides compensation only for temporary impacts on crops and trees.</p>	<p>Based on ADB policy all land impacts are to be compensated whether rural or urban, including for permanent restriction of land use imposed by the project. NTDC will implement the approved updated LARPs/RPs and pay the compensation to AHs for permanent land use restriction under the tower footings regardless baren or cultivated. The full payment of AHs as per updated approved LARPs/RPs verified by EMC and cleared by ADB will serve as a ground for no- objection for commencement of civil works for tower footings.</p>
<p>LAA 1894: Only titled landowners or customary rights holders are recognized for compensation.</p>	<p>Lack of title should not be a bar to compensation. Requires equal treatment of those without clear land titles (e.g., squatters or other informal settlers) in terms of their entitlements for resettlement assistance and compensation for the loss of non-land assets.</p>
<p>Only titled landowners or customary rights holders are recognized for compensation.</p>	<p>Lack of title should not be a bar to compensation. Requires equal treatment of those without clear land titles (e.g., squatters or other informal settlers) in terms of their entitlements for resettlement assistance and compensation for the loss of non-land assets.</p>
<p>Only registered landowners, sharecroppers and leaseholders are eligible for compensation of crop losses.</p>	<p>Crop compensation is to be provided irrespective of the land registration status of the affected farmers/sharecroppers. Crops for two seasons Rabi (winter) and Kharif (summer) for full one year are to be compensated based on existing market rates and average farm produce per unit area.</p>
<p>Tree losses are compensated based on outdated officially fixed rates by the relevant forest and agriculture department.</p>	<p>Tree losses are to be compensated according to market rates based on productive age or wood volume, depending on tree type. All the removed</p>

Pakistan's LAA 1894 and TA 1885	ADB Safeguard Policy Statement (2009) and reconciliation measures
	trees will remain the property of the owner for them to salvage.
Land valuation is based on the median registered land transfer rate over the 3 years prior to Section 4 of the LAA. 15% compulsory acquisition charges are paid over and above the assessed compensation. However, recent practice is that prices based on the average over the last one year prior to acquisition commencing is applied.	Land valuation is to be based on current replacement (market) value with an additional payment of 15%. The valuation for the acquired housing land and other assets is the full replacement costs keeping in view the fair market values, transaction costs and other applicable payments that may be required.
The valuation of structures is based on official rates, with depreciation deducted from gross value of the structure and also 15% of the value of salvaged materials,	The valuation of built-up structures is based on current market value but with consideration of the cost of new construction of the structure, with no deduction for depreciation. The APs can salvage any of their material free of cost and irrespective of compensation payments having been paid.
The decisions regarding land acquisition and the amounts of compensation to be paid are published in the official Gazette and notified in accessible places so that the people affected are well informed.	Information related to the quantification and valuation of land, structures, other immovable assets, entitlements and amounts of compensation and financial assistance are to be disclosed to the displaced persons prior to subproject appraisal period. This is to ensure that stakeholders are treated in a fair, transparent and efficient manner.
No provision for income and livelihood restoration rehabilitation measures. There are also no special allowances for vulnerable displaced persons including vulnerable groups such as women headed households. There are no requirements to assess opportunities for benefit sharing.	The ADB policy requires rehabilitation for lost income and any expenses by the APs during the relocation process. There are also provisions to be made for transitional period costs, and livelihood restoration. Particular attention must be paid to the poor and vulnerable groups, including women. A guiding principle is that DPs should at least be able to reach a defined minimum livelihood standard. In rural areas, APs should be provided with legal access to replacement land and resources to the defined minimum livelihood level. In urban areas, provision should be made for appropriate income sources and the legal and affordable access to adequate housing.
Prepare and disclose land acquisition and resettlement plans (LARPs) - there is no law or policy that requires preparation of LARPs.	LARPs are prepared in English and disclosed to the displaced peoples in local language.
Grievance redress is established through the formal land acquisition process at a point in time or through appeals to the court.	Provide a continuous mechanisms/ set-up that are accessible locally and available throughout subproject implementation.
Only compensation is paid but not resettlement allowances, there is no mechanism to ensure payment is made before displacement.	All compensation and allowances to be paid prior to physical or economic dislocation.
No requirements to prepare and disclose monitoring reports.	Prepare and disclose monitoring reports.

F. Reconciliatory Measures to Address the Gaps

29. To reconcile the differences between the LAA 1894, TA 1885 and ADB SPS 2009, the NTDC has prepared this 2nd updated LARF (2022), ensuring that compensation to be provided to

the DPs at full replacement costs for all direct and indirect losses, so that no one could be worsen-off because of the investment program. The provision of subsidies or allowances will also need to be given for affected households (AHs) that may be relocated, suffer business losses, or may be vulnerable. In this context, the following are the ADB Safeguard principles to reconcile the differences:

- (i) the need to screen the subproject early in the planning stage.
- (ii) carry out meaningful consultations.
- (iii) at the minimum restore livelihood levels to what they were before the subproject, improve the livelihoods of affected vulnerable groups.
- (iv) prompt compensation at full replacement cost for all losses to be paid to AHs.
- (v) NTDC will implement this approved updated LARPs/RPs and pay the compensation to AHs for permanent land use restriction under the tower footings. The full payment of AHs as per updated approved LARPs/RPs RP verified by EMC and cleared by ADB will serve as a ground for no- objection for commencement of civil works for tower footings.
- (vi) provide affected people with adequate assistance.
- (vii) ensure that affected people who have no statutory rights to the land that they are working and eligible for resettlement assistance and compensation for the loss of non-land assets; and
- (viii) disclose all reports.

IV. COMPENSATION ELIGIBILITY AND ENTITLEMENTS

A. Eligibility

30. In accordance with this 2nd updated LARF (2022), the DPs will be eligible for compensation and/or rehabilitation assistance as discussed below:

- (i) All land-owning DPs losing land or non-land assets, whether covered by legal title or customary land rights, whether for temporary or permanent acquisition.
- (ii) Tenants and sharecroppers, whether registered or not; for all non-land assets, based on prevailing tenancy arrangements.
- (iii) DPs/ parties losing the use of structures and utilities, including titled and non-titled owners, registered, unregistered, tenants and lease holders plus encroachers and squatters.
- (iv) DPs losing business, income and salaries of workers, or a person or business suffering temporary effects, such as disturbance to land, crops, and business operations both permanently and temporarily during construction.
- (v) Loss of communal property, lands (Shamilat) and public infrastructure.
- (vi) Vulnerable DPs identified through the social impact assessment survey/ analysis.
- (vii) In the event of relocation, all affected persons will receive transitional and other support to re-establish their livelihoods.

31. In accordance with ADB SPS (2009) and this 2nd Updated LARF (2022), the compensation eligibility will be limited by a 'cut-off date' that will be set/declared on the day of the completion of the DMS and census of DPs losing land and assets. This is set to avoid an influx of outsiders post census/social impact assessment surveys. Each DP will be identified and issued with a household identification (a card) which confirms their presence on the site prior to the cut-off date. The cut-off date will be announced through mass media (pamphlets/ leaflets, newspapers). The DPs who

settled in the vicinity of the subproject area after the cut-off date will not be eligible for compensation.

32. The displaced persons shall be eligible for rehabilitation subsidies and for the compensation of lost land, structures, and utilities along with the loss of livelihood. There shall also be special provisions of vulnerable displaced persons.

B. Entitlement for Compensation

33. The following entitlements are applicable for affected persons losing land, structures, other assets, and incurring income losses:

i) **Agricultural Land Impacts** will be compensated as follows:

a) Permanent Losses: legal/legalizable landowners (legalizable owners assessed by the DPAC include those who may have customary rights to their land which could be converted to statutory rights) are compensated either in cash at replacement cost plus a 15% compulsory acquisition surcharge (CAS) free of taxes and transfer costs; or through land for land compensation mechanisms with plots comparable in area, productivity and location to the plots lost. The entitlement applies to land which becomes effectively permanently restricted under the tower footage.

NTDC will implement this approved updated LARPs/RPs and pay the compensation to AHs for permanent land use restriction under the tower footings regardless barren land or cultivated. The full payment of AHs as per updated approved LARPs/RPs RP verified by EMC and cleared by ADB will serve as a ground for no- objection for commencement of civil works for tower footings.

Leaseholders/ tenants of public land will receive rehabilitation in cash equivalent to the market value of the gross yield of lost land for the remaining lease years (up to a maximum of three years). Encroachers/squatters will instead be rehabilitated for land use loss through a special self-relocation allowance (in addition to any other allowance) equivalent to one year of agricultural income or through the provision of a free or leased replacement plot comparable in area, productivity and location to the plots lost.

(b) Temporary land impact: legal/legalizable owners and tenants assessed by the DPAC and encroachers are entitled for cash compensation at replacement cost including the full market value of each lost crops and trees harvest for the duration of the loss and any other related costs, replacement costs for any structures affected, restoration of lands (cultivable and uncultivable) at least to the pre-construction conditions. Through specification in the contract agreements, Contractors will be required to carry out restoration works before returning the lands to AHs, or AHs will be provided with cash at replacement cost to rehabilitate their lands to at least pre-project impact conditions.

(c) Vulnerable Displaced Persons: Vulnerable households, as per definition of terms of this LARF, will be entitled to one time vulnerability assistance cash allowance as defined in the entitlement matrix hereto. Other additional options can be considered, including non-cash-based livelihood support and employment, both temporary and permanent. Other additional income restoration measures can be considered based upon the findings of the Social Impact Assessment that will need to be carried out to establish the baseline conditions and determine the nature and level of AHs losses and the likely impact on livelihoods. The range of options available including relocation, shall be discussed with

the AHs. One-time payment of vulnerability assistance cash allowance should at the absolute minimum be adequate to provide them with equivalent level of livelihood that they had previously.

- ii) **Residential and Commercial Land** will be compensated at replacement cost. Assessments will be conducted by the DPAC. **Residual lands:** In case of partial land impact, if assessed the residual part of the land is not viable to use according to its purpose and best value, the whole land plot shall be acquired and compensated. Residential and commercial landowners will be entitled to the following:

a) Legal/legalizable owners will be compensated by means of either cash compensation for lost land at full replacement cost based on the market value of the lost land plus a 15% CAS, free of taxes and transfer costs: or in the form of replacement land of comparable value and location as the lost asset.

(b) Renters/sharecroppers are compensated by means of cash compensation equivalent to three months of rent or a value proportionate to the duration of the remaining lease/ sharecropping period, including any deposits they may lose.

(c) Encroachers/Squatters are compensated through either a self-relocation allowance covering six months of income or the provision of a leased replacement plot in a public owned land area. They will be compensated for the loss of immovable assets, but not for the land that they occupy.

- iii) **All other Assets and Incomes**

(a) Houses, buildings and structures will be compensated for in cash at replacement cost plus 15% CAS. There will also be a 10% electrification allowance and the any transaction costs will be paid. Material that can be salvaged is allowed to be taken by the owner, even if compensation has been paid for them. For evaluation of replacement costs, a survey will be conducted to obtain the current prices for calculation of compensation.

(b) Renters or leaseholders/ sharecroppers of a house or structure are entitled to cash compensation equivalent to three months' rent or a value proportionate to the duration of the remaining lease period.

(c) Crops will be compensated to owners, tenants and sharecroppers based on their agreed shares. For all permanent impacts and impacts under towers, the compensation will be at full market rate for one year of harvest including both winter (locally named as 'rabi') and summer ('kharif') crops. For temporary impacts(e.g., between towers and for temporary access tracks), refer to EM on temporary impacts on crops.

(d) Fruit trees: Loss of trees will be compensated as follows:

- (i) Lost timber/ wood trees, cash compensation will be at market value of tree's wood content;
- (ii) Fruit Trees: Cash compensation for fruit trees is different for productive, not yet productive trees and seedlings as given below:
 - Fruit bearing trees: compensation at replacement cost for lost income based on the net market value of one year's income multiplied by the number of years needed to grow a fully productive tree.

- Not-yet-fruit-bearing trees: regardless of their age these trees will be compensated at replacement cost of productive inputs for the number of years needed to grow a tree to the productive age.
- Seedlings for all trees: compensation for the market value of the seedling (\$1 to \$3 according to type of tree).⁵

(e) Businesses will be compensated for with cash compensation equal to one year of income for permanent business losses. For temporary losses, cash compensation equal to the period of the interruption of business will be paid up to a maximum of six months or covering the period of income loss based on construction activity.

(f) Workers and employees will be compensated with cash for lost wages during the period of business interruption, up to a maximum of three months or for the period of disruption.

(g) Relocation assistance is to be paid for DPs who are forced to move from their property. The level of the assistance is to be adequate to cover transport costs and special livelihood expenses for at least 1 month or based on the severity of impact.

(h) Community structures and public utilities, including mosques and other religious sites, graveyards, schools, health centers, hospitals, roads, water supply and sewerage lines, will be fully replaced or rehabilitated to ensure their level of provision is, at a minimum, to the pre-project situation.

34. Compensation and entitlements are summarized in the Entitlement Matrix, Table 4:

Table-4: Entitlement Matrix

Asset	Specification	AHs	Compensation Entitlements
Arable Land		Farmers/ Titleholders/ legalizable users	A. If land is not acquired: fully rehabilitate/restore land to its formal condition/use/quality following the completion of civil works. B. If land is acquired: cash compensation at replacement cost based on market value plus 15% compulsory acquisition surcharge (CAS), free of taxes, registration, and transfer costs. C. Permanent land use restriction under the tower footings. NTDC will implement this approved updated LARPs/RPs and pay the compensation to AHs for permanent land use restriction under the tower footings regardless barren or cultivated land. The full payment of AHs as per updated approved LARPs/RPs RP verified by EMC and cleared by ADB will serve as a ground for no- objection for commencement of civil works for tower footings.
		Leaseholders/ Sharecroppers (<i>Registered or not</i>)	•No compensation for land provided that the land is rehabilitated/ restored to its former quality following completion of works.
		Agricultural workers	•Cash compensation for all damaged crops and trees.

⁵ This will be assessed by the Horticultural Wing of the Agriculture Department. Any additional damage may be assessed and paid based on actual losses after completion of the 3d tier installation works until restoration is complete.

Asset	Specification	AHs	Compensation Entitlements
		Squatters	<ul style="list-style-type: none"> • Cash compensation for all damaged crops and trees
Temporary impact on arable or non-arable land outside of the subproject's ROW	Land required temporarily during civil works	All owners of rented land/lease holders (with and without title)	<ul style="list-style-type: none"> • Lease agreements to be signed between the AHs and the contractor for the period of occupation of land. • Rental fee payment for period of occupation of land, as mutually agreed by the parties. • Restoration of land to original state; and • Guarantee of access to land and structures located on remaining land.
Arable Land where access is restricted and/or land use will be affected ⁶	All adverse effects on land use independent of severity of impact.	Farmers/ Titleholders/leasable users	<ul style="list-style-type: none"> • Land for land compensation with plots of equal value and productivity to the plots lost, if available or • Cash compensation at replacement cost based on market value plus 15% compulsory acquisition surcharge (CAS, free of taxes, registration, and transfer costs, or • Rehabilitation allowance equivalent to market value of the affected land plot (tower footings)
		Leaseholders/ Sharecroppers (<i>Registered or not</i>)	<ul style="list-style-type: none"> • Renewal of lease/ sharecropping contract in other plots of equal value/ productivity of plots lost, or • Cash equivalent to market value of gross yield of affected land for the remaining lease/ contract years (up to a maximum of 3 years).
		Agricultural workers lose work (formal or informal)	<ul style="list-style-type: none"> • Cash indemnity corresponding to their salary (including portions in kind) for the remaining part of the agricultural year.
		Squatters	<ul style="list-style-type: none"> • 1 rehabilitation allowance equal to market value of 1 gross harvest (in addition to crop compensation) for land use loss.
	Additional provisions for severe impacts (10% or more of land loss)	Farmers/ Titleholders Leaseholders	<ul style="list-style-type: none"> • 1 severe impact allowance equal to market value of gross harvest of the affected land for 1 year (inclusive of winter and summer crop and in addition to standard crop compensation)
		Sharecroppers (<i>Registered or not</i>)	<ul style="list-style-type: none"> • 1 severe impact allowance equal to market value of share of harvest lost (additional to standard crop compensation)
		Squatters	<ul style="list-style-type: none"> • 1 severe impact allowance equal to market value of gross harvest of the affected land for 1 year (inclusive of winter and summer crops in addition to standard crop compensation)
	Land under tower footings ⁷	All AHs (including informal users of land/ squatters)	<ul style="list-style-type: none"> • Rehabilitation allowance (compensation at market rate plus 15% CAS for the restricted land) will be provided if land use under towers is permanently restricted. NTDC will implement this approved updated LARPs/RPs and pay the compensation to

⁶ For 220kV and above, the tower design does not restrict the land under tower. The only land permanently restricted is the land under tower footings and as agreed with PRM team, NTDC will pay compensation at market rate plus 15% CAS for the restricted land as livelihood restoration allowance.

⁷ Note: For 220kv and above, the tower design does not restrict the land under tower. The only land permanently restricted is the land under tower footings.

Asset	Specification	AHs	Compensation Entitlements
			<p>AHs for permanent land use restriction under the tower footings regardless barren or cultivated land. .</p> <ul style="list-style-type: none"> • For tower footings, compensation at market rate plus 15% CAS for the restricted land as livelihood restoration allowance.
Residential/ Commercial Land		Titleholders/ legalizable users	<ul style="list-style-type: none"> • Land for land compensation through provision of a plots comparable in value/ location to plot lost or • Cash compensation at replacement cost based on market value plus 15% compulsory acquisition surcharge (CAS), free of taxes, registration, and transfer costs.
		Renters/ Leaseholders	<ul style="list-style-type: none"> • 1 allowance - 3 months OPL (at OPL/month as assessed at the time of payment of compensation) *
		Squatters	<ul style="list-style-type: none"> • Accommodation in available alternate land/or a self-relocation allowance (<i>Rs. 15,000 in 2015 prices</i>).⁸
Houses/ Structures	Inclusive of corridor of impact (COI) area for TLs (40 m from the centerline of the TLs)	All relevant AHs (informal users of land and squatters)	<ul style="list-style-type: none"> • Cash compensation at full replacement cost for affected structure and other fixed assets free of salvageable materials, depreciation, and transaction costs. • In case of partial impacts full cash assistance to restore remaining structure in addition to compensation at replacement cost for the affected part of the structure.
Crops	Crops affected for TLs: inclusive of COI between the TL towers, and access roads	All AHs (informal users of land and squatters)	<ul style="list-style-type: none"> • Permanent impacts: Cash compensation for crops at full market rate for 1 gross harvest of the affected land for 1 full year (inclusive of winter and summer crops). • Temporary impacts (TLs): Crop compensation in cash at full market rate equal to the total number of lost and forgone gross harvests (inclusive of winter and summer crops) from the affected land for the whole duration of installation and restoration works, with payments based on the 3-tier schedule. Any additional damage may be assessed and paid based on actual losses after completion of the 3rd tier installation works.
Trees	Trees affected. For TLs: inclusive of COI between the TL towers, and access roads	All AHs (including squatters)	<ul style="list-style-type: none"> • Lost timber/ wood trees, cash compensation will be at market value of tree's wood content. • Fruit Trees: Cash compensation for fruit trees is different for productive, not yet productive trees and seedlings as given below: <ul style="list-style-type: none"> a. Fruit bearing trees: compensation at replacement cost for lost income based on the net market value of one year's income multiplied by the number of years needed to grow a fully productive tree. b. Not-yet-fruit-bearing trees: regardless of their age these trees will be compensated at replacement cost of productive inputs for the number of years needed to grow a tree to the productive age.

⁸ Rate shall be updated/adjusted as per the current market rates at the time of updating/finalizing the LARP/RP and compensation payment.

Asset	Specification	AHs	Compensation Entitlements
			<p>Seedlings for all trees: compensation for the market value of the seedling (\$1 to \$3 according to type of tree).</p> <ul style="list-style-type: none"> • Any additional damage may be assessed and paid based on actual losses after completion of the 3d tier/phased compensation and installation works until restoration is complete.
Business/ Employment	Temporary or permanent loss of business or employment	All AHs (including squatters, agriculture, and other workers)	<ul style="list-style-type: none"> • Business owner: (i) Cash compensation equal to one-year income if loss is permanent; (ii) cash compensation for the period of business interruption if loss is temporary. • Workers/ employees: Indemnity for lost wages for the period of business interruption up to a maximum of 3 months (<i>at current OPL/month as assessed at the time of payment of compensation</i>)
Relocation	Transport and transitional livelihood costs	All AHs need relocation.	<ul style="list-style-type: none"> • Provision of sufficient allowance to cover transport expenses and livelihood expenses for one month as assessed at the time of compensation
Community assets	Mosques, footbridges, roads, schools, health center	Affected community	<ul style="list-style-type: none"> • Rehabilitation/ substitution of affected structures/ utilities (i.e., mosques, footbridges, roads, schools, health centers).
Vulnerable APs livelihood	Vulnerable AHs as per definition of terms of this 2 nd Updated LARF (2022).	All vulnerable AHs	<ul style="list-style-type: none"> • Lump sum one-time livelihood assistance allowance (at current OPL/month as assessed at the time of payment of compensation) on account of livelihood restoration support. • Temporary or permanent employment during construction or operation, wherever feasible.
Unidentified Losses	Unanticipated impacts	All AHs	<ul style="list-style-type: none"> • LARF and project/component specific LARP prepared in accordance with SPS 2009 will apply to any unanticipated LAR impacts.
*To update based on CPI at the time of payment. Any older referenced OPL will be also CPI adjusted.			

C. Valuation and Replacement of Assets

35. The following methodology will be adopted for assessing unit compensation rates:

- (i) Land will be valued at full replacement cost in accordance with ADB SPS 2009 and LAA 1894 procedures. Houses, buildings, and other structures will be valued at full replacement costs plus labor cost based on the area, type and material of the affected item. No deductions will be made for depreciation, salvageable materials or transaction costs and taxes. Rates for building structures will be evaluated by the Building Department/Works Department using the latest quarterly report that is regularly published by the Building Department.
- (ii) Crops will be valued at current market rates of gross value of harvest as valued by the Agricultural Department.
- (iii) Loss of trees will be cash compensated as follows: a) Lost timber/ wood trees, cash compensation will be at market value of tree's wood content; b) Fruit Trees: Cash compensation for fruit trees is different for productive, not yet productive trees and seedlings as given below:
 - a) Fruit bearing trees: compensation at replacement cost for lost income based on the net market value of one year's income multiplied by the number of years needed to grow a fully productive tree.
 - b) Not-yet-fruit-bearing trees: regardless of their age these trees will be compensated at replacement cost of productive inputs for the number of years needed to grow a tree to the productive age.
 - c) Seedlings for all trees: compensation for the market value of the seedling (\$1 to \$3 according to type of tree).⁹
- (iv) Any additional damage may be assessed and paid based on actual losses after completion of the 3d tier installation works until restoration is complete.
- (v) The value of trees that would have been used for timber will be calculated based on the average volume and quality of wood produced and taking into consideration the size classes as determined by girth, diameter at breast, height and volume as assessed by the Forest Department.

36. Thus, the valuation of affected land/other assets will be carried out to establish full replacement cost (RC) by qualified and experienced valuation experts keeping in view the methodology referred under ADB SPS 2009 and the LAA 1894. The LARPs/RPs of each subproject will be prepared by using the full replacement cost criterion.

D. Land for Land Compensation

37. Land for land compensation has significant advantages is that it reduces the chance of affected people spending their compensation on items that will not provide them with an alternative economic livelihood. The difficulty is that at nearby the location of a subproject, the similar category of land is generally not available. In cases where affected persons desire land for land compensation, then the process by which replacement land is identified needs to be recorded. In managing the land for land relocation, the socio-cultural and religious characteristics

⁹ This will be assessed by the Horticultural Wing of the Agriculture Department.

of the affected persons and host communities will be taken into consideration and the distance between the old and new locations should be minimized as far as is possible.

38. When land for land compensation is used, along with provision of replacement housing, then the replacement plots are to include facilities and services such as water supply, sanitation, roads, drainage, and electricity.

39. The LARP of each subproject will detail the costs for site preparation (if any) and for the provision of these basic facilities and the LARP will clearly provide detail for site preparation and resettlement schedules and tenure arrangements. If land for land cannot be found, the LARP of the concerned subproject will clearly demonstrate the lack of land.

E. Land Falling Under the Towers and Transmission Lines

A. Legal Framework Used in Transmission Lines

40. Two legal instruments are used for temporary use of land for construction of transmission lines that include Telegraph Act 1885 and WAPDA Act 1958, these provide a legal framework for access and use of land for the transmission lines. The Telegraphic Act of 1885 enacted to define the authority and responsibility of the Telegraph Authority. Under this Act, the land required for the towers is not acquired from the owners, nor the title of the land transferred. Compensation is only paid to the owners for affected structures, crop or tree that exists on the land. NTDC will install the transmission lines and their towers, and would determine the associated compensation, on the basis of this Act:

i. Land under Towers/Poles

41. **Urban Areas.** In urban areas, tubular poles should be erected instead of transmission line towers. Preferably, erect tubular poles on the road corridor for which no compensation is required. In case of government land, the land could be used with proper permission of concerned department. In case of private premises, the requisite land for poles be purchased on negotiation basis.

42. **Rural Areas.** In rural areas, transmission line towers to be routed at least 100 meters away from settlements, schools, hospitals where space is available. If there is shortage of space / congested space, the tubular poles are preferred options. Although the footprint of the towers¹⁰ is not acquired under the provisions of Telegraphic Act of 1885, it is recognized that access to the land under the towers is decreased and cultivation may become more difficult as compared to the pre-project conditions. For the land under the tower footings, NTDC will pay a compensation at market rate plus 15% CAS for the restricted land as livelihood restoration allowance.

¹⁰ For 220kv and above, the tower design does not restrict the land under tower. The only land permanently restricted is the land under tower footings.

ii. Land under Transmission Line

43. The temporary damages of crops under the transmission line shall be compensated at 3 tiers at the current market rate assessed in the year of damage (refer to the EM and discussion of temporary impact for crops and trees). First compensation for foundation of towers, 2nd compensation for erection of towers, and 3rd at the time of stringing of lines. Compensation will be provided to titled and non-titled DPs including tenants, sharecroppers, informal users, and all other users of the land.

44. The land falling under transmission line conductor shall not be purchased. However, as the land is disturbed for the construction work while resulting in the loss of crops and trees , compensation shall be paid to the affected persons as detailed below:

- The affected landowners and land users (legal, legalizable, illegal, informal) shall be paid crop compensation for the total number of lost and forgone harvests under transmission line (15feet/5.75 meters space on each side of conductor) . Refer to the EM for discussion on compensation for crops and trees for temporary impacts.
- For temporary access route damages, the compensation shall be made to all types of DPs for the total number of lost and forgone harvests , with 01 season's compensation before damage and the remaining amount within 42 days of completion of stringing activity on that span (not the whole line).Refer to the EM for discussion on compensation for crops and trees for temporary impacts.

B. Harmonization with ADB SPS

45. As Pakistan laws diverge on some key points, this Updated LARF has been developed to harmonize the gaps between LAA 1894, Telegraph Act 1885, WAPDA Act 1958 and ADB SPS on involuntary resettlement. The measures specific to the LAR impacts of the investment program have been addressed through provision of resettlement and rehabilitation assistance to the AHs that need physical relocation, will lose land and situated assets or lose income and livelihoods due to the transmission lines subprojects. NTDC will make efforts to avoid and/or minimize LAR impacts in selecting locations of the towers and route of the transmission lines.

V. IMPACT ASSESSMENT AND LARP PREPARATION

A. Impact Assessment

46. The LAR impact assessment will involve the following studies and field investigations:

- (i) **Census/Survey:** An IPSA will be prepared for each tranche. A census of all APs will be carried out and updated based on DED to determine the exact number of AHs and APs and how they are affected by the specific LAR impacts of a subproject. The census will also identify severity affected and vulnerable AHs.
- (ii) **Impacts Assessment and Inventory:** This task will be based on a Detailed Measurement Survey (DMS) which identifies the nature and magnitude of loss, and information will be updated at the DED phase to prepare an implementation ready LARP. The survey will include all losses including land (residential and agricultural), immovable structures, communal, public & cultural/ religious facilities, crops, trees and business incomes and wages. The impact assessment will also include a survey of compensation rates and present the AHs' income by sources. The rates will be updated during preparation of the implementation ready LARP/RP based on DED.
- (iii) **Updating of land records.** This will be carried with the support of the Land Acquisition Collector (LAC) and other associated revenue staff.
- (iv) **Socioeconomic Survey:** A statistically representative socioeconomic survey (sample of 20-25% of AHs) of the AHs will be carried out to provide a detailed socioeconomic profile of AHs at the feasibility stage and preparation of a draft LARP. The information gathered will focus on: (i) household composition and demography; (ii) ethnicity; (iii) education; (iv) livelihood patterns; (v) land ownership patterns; (vi) affected persons income levels and expenditure patterns; (vii) APs views on the subproject and various resettlement and rehabilitation options; (viii) specific impacts on the poor, indigenous people, women, and other vulnerable groups. The data will be gender segregated to identify specific gender related issues. The survey will be used to investigate the AHs' socioeconomic condition, identify the project impacts on AHs and to establish a benchmark for monitoring and evaluating the implementation of a subproject's compensation and rehabilitation program. The socio-economic profile of all AHs will be updated at the time of final LARP preparation to ensure identification of vulnerable AHs.

B. LARP/RP Preparation and Updates

47. The subprojects under the investment program are to be implemented on a on turnkey basis.¹¹ The draft LARP preparation for each subproject will be initiated as part of the PFR preparation. Later on, the draft LARPs of subprojects of any tranche will be updated at final engineering design stage. An outline for preparation of a LARP, as specified in ADB SPS 2009, is given in Appendix A. Schedule of construction works will be aligned with schedule of preparation of the Updated LARPs, its implementation, and validation by the external monitoring agency.

48. **Final LARP preparation and implementation for substations:** All draft LARPs/RPs of substation subprojects shall be updated based on DED and NTDC will ensure the Updated LARPs are implementation ready prior to submission to ADB for concurrence and disclosure. NTDC will also ensure full LARP implementation, validation of an external monitor agency, and acceptance

¹¹ Type of this subproject is known as "Turnkey project" that is construction by a developer/contractor and turn over to NTDC in a ready-to-use condition, which includes "design, supply, and installation".

by ADB of the LARP compliance report before the written notice to hand-over the sites or proceed with civil works is issued to the contractor.

49. **Final LARP/RP preparation and implementation for transmission lines:** As mentioned in the previous sections, the DED of transmission lines are completed in 10 to 20 km sections. Therefore, sectional LARPs will be prepared for such 10 to 20 km sections.

50. NTDC with the assistance of the CSC and the civil works contractor will update the draft LARP/RP for the transmission lines ROW and corridors of impacts (COI) based on complete census assessment for LAR impacts (including relevant socio-economic profiling) to confirm prior-to-civil works compensation amounts for spaces under tower footing and between towers.

51. Implementation of the updated LARPs will be allowed on a sectional and tier-wise basis in line with the sectional site/section of a site access procedure. NTDC will submit sectional and tier-wise LARP compliance reports verified by an EMA for ADB's approval prior to issuance to Contractor NTP/notice of access to site/section of a site or tier of the installation works to the civil works contractor (refer to para 13 for details).

52. Any additional compensation due to AHs as a result of damages beyond the originally assessed impacts will be assessed based on the number of additionally lost or forgone harvests and paid to AHs after completion of a corresponding construction phase (as per paragraphs 11 and 13 hereto).

53. In addition to semi-annual external safeguards monitoring reports, a final LARP/RP compliance report and external safeguard monitoring for verification of LARP/RP Compliance report will be required to confirm completion of compensations for any residual impacts incurred after the implementation of the final approved LARP/RP.

54. **Assessment of Damages and Payments of Compensation:** During detailed designed survey by Contractor the final tower spotting shall be marked and approved by NTDC Design Department. Depending upon the length of Transmission Line Route the construction activities shall be divided into lots. The survey work shall be completed in lots. As the transmission line survey will be finalized, the data of APs shall be updated and estimated damages for foundations work shall be assessed by the revenue staff.

55. The concerned revenue officer (Patwari/Assistant Land acquisition Collector) shall measure the damaged crop area along with kind of crop. Before assessment of crop and trees damages, the revenue officer shall get the crop and trees rates from concerned local government departments. After making the assessment of damages the case shall be submitted to Sub-Divisional Officer (SDO) NTDC. The SDO shall verify the assessment and submit it to Executive Engineer (XEN) NTDC, for further submission to concerned Project Director. The assessment of damages shall be made on each AH. If the damages assessment report for each AHs is within the financial approval limit of the Project Director (PKR: 40,000/-) than approval shall be granted by the Project Director. For amounts above, the case shall be submitted the concerned Chief Engineer for approval. After getting approval of the damages assessment report the case shall be submitted to NTDC Finance Section for getting approval of the compensation vouchers. The approved compensation vouchers and list of APs shall be provided to Contractor for issuance of compensation cheques to each AH (para 13 hereto). The compensation cheque will include the compensation amount, procedure for claim or encashment in chosen bank. The Contractor shall have the actual funds prior to issuance of the compensation cheque to AHs .

56. **The requirements for preparing and implementing LARP/RP**, and compensation payments to AHs, which shall be implemented by NTDC for TLs subprojects, are described in paragraphs 10 and 13 hereto. Such arrangements will be reflected in the bid and contract documents of the transmission lines subprojects, together with the payment delivery mechanism and procedure for issuance of written notice of access to sites. The LARP update will follow the sections used for DED preparation and will closely follow the preparation of sectional DED.

57. Contractor will submit monthly progress reports to NTDC reflecting progress related to: (i) completion of DED sections; (ii) LARP implementation; (iii) access to site/section(s) of a site; and (iv) the need for assessment of any additional residual impacts. NTDC ESIC will conduct internal monitoring including reviewing the Contractors' reports and submits internal submitting semi-annual social safeguards monitoring reports (SASSMR) to ADB. The internal monitoring reports of the NTDC ESIC shall be verified by EMA as described in para 13 hereto.

58. **Final LARP preparation and implementation for substations:** All draftLARPs shall be updated based on DED for subprojects and approved by ADB as implementation ready. Final LARPs shall be fully implemented and verified by EMA, and the EMA's monitoring report shall be approved by ADB, prior to the start of civil works and such completion shall be reflected in LARP compliance reports to be cleared by ADB as a prerequisite to civil works.

VI. GENDER IMPACTS AND MITIGATION MEASURES

59. The land acquisition and resettlement plan of each subproject of the tranche will include measures ensuring that the socioeconomic needs and priorities of women are identified, addressed, and mitigated. The following gender provisions will be incorporated to safeguard the specific needs and problems of affected women during the subproject implementation.

- (i) The socioeconomic data gathered will be gender segregated. Gender roles analyzed and if women and the needs, aspirations and priorities of women will be taken into consideration during women consultations/ feedback through involving female enumerators/ staff and accordingly to be reflected in the LARP/RP.
- (ii) Female household heads will be registered as the recipients of compensation and rehabilitation measures. Land titles and use rights to replacement land will be registered in the name of women if the land lost to a subproject was legally owned by women.
- (iii) Women will be included in the consultation process through meetings held with women and will be encouraged to participate in the LARP/RP planning and implementation process.
- (iv) Due consideration will be given to complaints and grievances lodged by the affected women following the procedures outlined under the section of grievance redress mechanism.

VII. CONSULTATION, PARTICIPATION AND DISCLOSURE

A. Stakeholder's Consultations

60. Consultations will be carried out with the affected persons to identify their needs and preferences for compensation and rehabilitation measures. The affected persons will be informed about the results of census and impact assessment, and their preferences for compensation as well as other resettlement assistance. The process and mechanism ensuring the active involvement of DPs and other stakeholders' will be detailed in the LARP of each subproject, which will include records and photo-documentation consisting of the list of participants, the location/venue, date and feedback/minutes of meetings.

61. To improve upon the public consultation practice of project staff, hands on training and orientation sessions shall be provided, a detailed training session plan shall be prepared by NTDC and made part of sub project specific LARP.

B. Information Disclosure Plan

62. There will be a need to continue disclosure and consultations with AHs, public and communities in the project area to address their questions, concerns and any complaints, as well as close consultation with AHs on LAR impact and needs assessment. The ESIC is responsible to ensure that all LAR information is properly and meaningfully disclosed to all the DPs, their concerns addressed, and necessary changes made in the subproject design for this purpose.

63. Prior to conduct the socioeconomic baseline surveys, PMU ESIC will need to have developed a workable strategy for public consultation and information disclosure, and lead assuming this responsibility. During the census and DMS, each affected household will be directly informed about the subproject entitlements and procedures. Key information in the updated LARF (2022), including the entitlement matrix, will be translated in local language and disclosed to the APs, a copy of the Information Pamphlet will be placed in the concerned offices, such as the PMU, Revenue Department (LAC), PMU and ESIC for the public information. Accordingly, an information pamphlet summarizing the LARP in local language will be provided to all DPs prior to ADB management approval and uploaded on ADB website. If there is a need to update LARPs, the updated LARPs/RPs will also be disclosed to APs and disclosed on ADB website.

64. The consultation process will need to outline the legal procedures that are to be followed for land acquisition and resettlement/ relocation. The details of the LAR process including the GRM will be clearly communicated to all DPs and in some other forms that can be easily understood. The information given should also include the provisions of the recent ADB Safeguard Policy Statement (2009) and outline the rights and obligations of each DP. The consultation process for any DP will need to establish the degree to which any lost land and assets contributed towards their livelihood. The range of options for compensation will be identified, along with their entitlements for lost assets. The possible options of entitlements have been presented in the entitlement matrix of this 2nd Updated LARF (2022).

VIII. INSTITUTIONAL ARRANGEMENTS

65. NTDC through its PMU will be implementing the subprojects and is overall responsible for the compliance with ADB SPS requirements and financing of all LAR related activities under the investment program. The PMU is responsible for over-all project management, preparation of Draft LARPs, Draft DDRs and Updated LARPs. The PMU and ESIC shall ensure full implementation of the Updated LARPs prior to start of any civil work. The PMU will seek concurrence of ADB on the Updated LARP prior to implementation and on the external monitoring report prior to issuance of written notice to commence civil works. A detailed implementation arrangement is Figure 1. The roles and responsibilities of PMU, ESIC, and other relevant¹² departments involved in LARP implementation are provided below.

A. Project Management Unit

66. The PMU is established in NTDC headquarter and mandated to manage the design, procurement, safeguards, and financial activities of the investment program. The PMU is headed by a Chief Engineer and assisted by four managers (Manager ESIC, Manager Procurement, Manager Scheduling and Coordination, and Manager Finance). PMU is responsible to ensure safeguard compliance with the investment program loan agreements and each tranche's Project Administration Manual (PAM).

B. Environmental and Social Impact Cell

67. ESIC is established at PMU (located in NTDC Headquarters) and is composed of Manager ESIC, Deputy Manager (Environment), Assistant Manager (Environment), Assistant Manager (Social), Assistant Manager (Gender) and a computer operator. The ESIC will be supported by the CSC. The ESIC has the following function and responsibilities:

- (i) oversee over-all social safeguards compliance.
- (ii) prepare, update, implementation, internal monitoring, and disclosure of LARPs.
- (iii) maintain liaison with ADB regarding social safeguards requirements and reporting.
- (iv) undertake damage assessments during project implementation.
- (v) preparation of inventory of losses.
- (vi) coordinate with contractor on the detailed measurement surveys (DMS).
- (vii) coordinate with the PMU on the valuation survey.
- (viii) maintain a computerized/electronic LAR database.
- (ix) disclosure of draft and updated LARPs/RPs to APs.
- (x) conduct meaningful consultations with APs.
- (xi) participate in complaint resolution through GRC.
- (xii) in collaboration with PMU, and Contractor, oversee distribute of compensation cheques to APs by Contractor.
- (xiii) prepare quarterly safeguards monitoring reports.
- (xiv) prepare implementation of the corrective action plan as and when required.
- (xv) coordinate with the external monitoring agency for the validation of internal monitoring reports on LARP implementation.

¹² Other government line department such as forest, agriculture, horticulture, civil & works, public health engineering, NHA, WAPDA, irrigation, revenue department etc.

68. Under Tranche 4, PMU will assign subprojects managers, and additional individual consultants to be recruited from Tranche 1 funds, to support T4 subprojects implementation. In addition, the company National Engineering Services Pakistan (NESPAK) will be engaged to provide supervision services (Construction Supervision Consultant (CSC)) including in monitoring and reporting social and resettlement safeguards compliance.

D. Construction Supervision Consultant

69. Supervision Consultant's team shall also include two Resettlement Specialists for each subproject, and engage additional safeguard specialists consultants and patwaris on project needs bases, to provide support to ESIC and PMU in planning and implementing LAR tasks such as

- (i) Preparation and updating of social safeguards documents that include LARP(s), RPs, Livelihood restoration plan and Corrective Action Plan if and when required,
- (ii) Preparation of quarterly safeguards monitoring reports and provide special monitoring reports if and when required;
- (iii) Establish and maintain LAR database containing APs information, inventory of losses, compensation amount and payments status;
- (iv) Capacity building of PMU staff and contractors/sub-contractors on LAR requirements and implementation as per loan agreements, bidding documents, Updated LARF (2022) and LARPs/RPs of the subprojects;
- (v) Provide input in finalization of NTDC's SOP;
- (vi) Support PMU in ROW clearance, damage assessment, preparation of an inventory of losses, consultation with APs and monitor distribution of compensation cheques to AHs, and
- (vii) Managing grievances resolution, analysis, social safeguards monitoring and reporting.

E. External Monitoring Agency or individual consultant

70. The main responsibility of the external monitoring agency (or consultant) is to verify that compensation (and assistance allowances, where applicable) payments are undertaken in accordance with this Updated LARF (2022), loan covenants, and specific requirements (if any) in the Updated LARPs/RPs of each subproject. EMA will prepare RP compliance reports at each stage of 3-tiers/phased compensation payments mechanism for submission to ADB and ABD approval, and issue of no objection, prior to PMU issuance of a written notice to access any site with LAR impact, and as a condition to start a corresponding tier installation works. The external monitoring report shall also include findings and recommendations to further improve compliance with social and resettlement safeguard requirements.

G. Coordination with other Government Line Departments

71. The line departments which are relevant in LARP implementation includes forest departments in case of damage to any forest trees, agriculture department for valuation of crop damages, public health engineering department in case of any government-owned tube well or sanitation system is affected, National Highway authority in case of the crossing of any highways or motorways, Civil and works department in case of any damage to the roads as well as the valuation of affected buildings and structures and deputy commission officer if any land is acquired for the project. PMU is responsible to

contact the concerned department district officer (DO) promptly and maintain liaison during construction work.

H. ADB

72. ADB provides technical guidance to PMU/ESIC in preparation and implementation of LAR tasks, review and approve LARPs/RPs and semi-annual monitoring reports, and EMA reports, advise on remedial/corrective actions for any identified gaps, to ensure full compliance of MFF II loan-specific safeguard requirements and SPS 2009.

I. Contractors

73. The contractor will assist PMU NTDC in preparation and implementation of LARPs as follows:

- (i) Closely coordinate with PMU, ESIC and CSC to finalize the route of transmission line, substations design and right of way (ROW) requirements of each subproject.
- (ii) Assist ESIC and CSC in preparation of DED-based updated LARPs/RPs for subprojects.
- (iii) In coordination with PMU, deliver compensation payments to DPs in line with ADB-approved secondly Updated LARF (2022), and the subprojects updated final LARPs/RPs as per the mechanism described in paragraphs 10 and 13 hereto;
- (iv) Submit the invoice to NTDC along with confirmation of payment to DPs by the concerned commercial bank for reimbursement.
- (v) Coordinate with PMU, ESIC and CSC in assessment of and payment of compensations for residual impacts related to phasing of civil works related to tower erection and stringing and 3-tiers compensation approach.
- (vi) Strictly abide by NTDC's issuance of written notice of access to site/section of a site prior to start of civil works.
- (vii) Submit timely budget requests to NTDC for delivery of compensations to entitled AHs.
- (viii) Immediately notify NTDC and ADB of any changes in design and transmission routes and ensure that no physical works are conducted in realigned/new sites until a corresponding safeguards assessment is done and a LARP addendum is prepared/approved and implemented.

J. Affected Persons Committee

74. The APs committee (APC) will be formed at the subproject level representing the participation from each village constituting a chairperson, secretary, and members. The APC will be responsible for the following activities:

- (i) Interaction between the APs and the PMU
- (ii) Information disclosure and consultations
- (iii) Help in the completion of required documents for payment.
- (iv) Ensure the payment of compensation following the entitlement matrix/ LARP of the concerned subproject of the tranche.

75. The key LAR-related steps for the preparation, update and implementation of LARPs are summarized on Table 5 below. The process combines in sequence steps required by the LAA 1894 and ADB SPS 2009.

Table 5: LAR Tasks Process

Steps	Actions	Responsibility
Final LARP/RP Preparation		
1	Request of land acquisition proposal to Revenue Department with Brief Description of subproject LAR.	NTDC PMU
2	Publication of Notice expressing the intent to Acquire Land under Section 4 of LAA 1894.	Revenue Department
3	Prepare surveys forms, provide training on impact assessment and valuation to survey teams, and establish coordination with local government agencies.	PMU/ESIC with support of Supervision Consultant
4	Verify land records in affected areas, update cadastral maps and carry out impacts and valuation surveys, identify land classification for affected areas.	D.G Land/Revenue Department/ Patwari, PMU ESIC (support of CSC
5	Check surveys and, if necessary, request additional fieldwork to improve them.	PMU/ESIC with support of CSC
6	Ensure compensations at replacement cost.	PMU/ESIC with support of CSC
7	Conduct public consultations and negotiations.	PMU/ESIC with support of Supervision Consultant
8	Integrate impacts baseline and results of consultations/ negotiations into the LARPs of subprojects.	PMU/ESIC with support of CSC
9	PMU submits final LARPs/RPs to ADB for approval/disclosure	PMU, ADB
Implementation of LARP/RP		
1	LARP disclosure: Distribution of LARPs/RPs and information pamphlets in local language to APs and disclose English version at ADB Website	PMU ESIC with support of Supervision Consultant, ADB
2	Bidding/contract documents include specific clauses on payment of compensations through 3 tiers approach and Contractor to issue cheques to APs, and other applicable requirements of this Updated LARF (2022) and subproject's LARP/RP. The budget is a BOQ line item and provisional sum under the contract or as NTDC deemed appropriate.	PMU ESIC, Procurement team, Bid Evaluators
3	Approval of contract awards	ADB
4	Training of contractors' staff on social and LAR safeguards	ESIC through Supervision Consultant
5	Distribution of LAR impact/ relocation notices to the AHs	PMU ESIC with CSC support
6	Contractor issues compensation cheques to AHs for Land Compensation	Contractor
7	Contractor issue cheques to AHs for other losses compensations (and assistance/Rehabilitation allowances to eligible APs)	Contractor
8	Prepare and submit to ADB LARP compliance Implementation report. PMU's LARP compliance Implementation reports shall be validated by the EMA	PMU ESIC with support of CSC, EMA
9	Review and approval of LARP Implementation reports, validated by the EMA	ADB
10	After LARP Implementation reports, verified by the EMA are approved by ADB, issue notice to proceed for Civil works	PMU after ADB approves the LARP Implementation reports, verified by the EMA and issues no-objection for construction works start

Steps	Actions	Responsibility
8	Relocation of Affected Structures/ Assets	PMU ESIC with support of Contractor, CSC
Post-Implementation Tasks		
1	Independent evaluation of LARP Implementation.	EMA
Cyclical/Continuous Tasks		
1	Internal monitoring: semi-annual safeguard reports on LAR implementation to ADB	ESIC (with full support of CSC)
2	External Monitoring: Prepare/submit to ADB LARP compliance reports for tier-wise compensation payments and sectional handovers, and periodic biannual safeguards monitoring reports.	EMA, PMU
3	Grievances Redress on project management level	PMU ESIC, with support of GRC and CSC
4	Grievances Redress through lawsuits	GRC, D.G Land, LAC, Court, PMU, ESIC (support of CSC)
5	Inter-agency coordination and Communication with AP	D.G Land, PMU (supported by CSC), subproject managers assigned by PMU

IX. GRIEVANCE REDRESS MECHANISM

76. This section of the updated LARF (2022) describes mechanism to receive and facilitates the resolution of affected party including women' concerns and grievances. NTDC has prepared a Grievance redress mechanism outlining a process for documenting, addressing, responding and employing methods to resolve project grievances that may raise by the DPs or community members regarding major project specific activities such as environmental and social performance, land acquisition and resettlement and unanticipated social impacts resulting from project activities that are performed or undertaken by NTDC.

77. A two-tiered grievance mechanism has been available at NTDC to allow the DPs to contest and get resolved any issue concerning affected assets, ownership, and compensation related matters. First tier GRC at PMU level and second tier GRC at NTDC headquarter level.

78. First complaints will be resolved by GRC at PMU, while unsettled issues will be referred to the GRC at NTDC headquarter level. The PMU level GRC, with the assistance of CSC , will inform the affected persons about GRC and its mechanism during consultation and information disclosure visits by passing on the information at known places. NTDC female officers will be GRC at both tiers.

A. Project Management Unit

79. The first tier of GRM is PMU to resolve all grievances and complaints of APs. The GRC members at PMU level (GRC-PMU) include:

- (i) Project Director (or his representative). NTDC as Convener of GRC-PMU;
- (ii) Respective Subproject's manager assigned by PMU
- (iii) Deputy Manager (Social or Environment), NTDC as Secretary of GRC-PMU.
- (iv) Representative of Land Acquisition Collector (LAC) as member.
- (v) Representative from CSC.
- (vi) Any notable personality from the area to be nominated in writing by the District Administration in consultation with the community
- (vii) Representative of the complaining APs

B. GRC at NTDC Headquarter Level

80. The second tier of GRM is NTDC HQ level to resolve the complaints that are not resolved in first tier. The GRC members at HQ level are:

- (i) General Manager Project Delivery North (As relevant) as Member being the Convener of GRC-HQ;
- (ii) Respective Subproject's manager assigned by PMU
- (iii) Additional Director General ESIC as Member
- (iv) Gender Focal Point or NTDC female manager as Member
- (v) Representative of the Land Directorate as Member
- (vi) Representative of the Legal Department as Member
- (vii) Representative of the complaining APs

C. GRM procedure

81. The following will be the GRM procedure:
- a) APs can file complaint/grievance by using grievance intake form available at Contractor’s local offices (entry point at local level), or designated office of the PMU assigned subproject managers office, or at NTDC’s website. APs can submit grievance directly to Contractor on the site (who will register in Grievance Logbook and send to GRC-PMU), and/or PMU assigned subproject managers office or PMU through email or mail at office address. In case of verbal complaints, the Contractor/PMU officials at entry point, will enter the complaint in grievance intake form.
 - b) Intake form then received by NTDC staff will be assigned a serial number along with date of receipt.
 - c) NTDC officials at PMU will send acknowledgment of complaint to APs in written form within 3 days of complaint received.
 - d) If complaint is submitted to Contractor or any other NTDC’s project office, that office will forward it to the designated Subproject Manager’s office after following point b and c.
 - e) The GRC-PMU level will review all the complaints received and provide an opportunity to be heard to all concerned parties and examine the relevant records before making the final decision.
 - f) GRC-PMU members shall ensure that grievance is resolved within the designated time period.
 - g) GRC-PMU will maintain database of complaints and their resolution status at both levels and report grievance resolution status updates in semi-annual safeguard monitoring reports, and quarterly monitoring reports to ADB.
82. PMU with support of Contactor and CSC will ensure to install a complaint box in the office and dedicate a telephone number for receiving complaints. PMU assigned subproject Manager will also designate a staff as grievance focal point to record the complaints and report to PMU their resolution status. The grievance redress process is given below:

Table 6: Grievance Redress Process

First Tier GRC at PMU level GRC-PMU	<ol style="list-style-type: none"> 1 When complaints received by Contractor’s local office (entry point at local level), or PMU/Subproject Manager’s office, the designated grievance focal person (GFP) shall assign a serial number and date of receipt. 2 GFP assigned by PMU/Subproject Manager sends written acknowledgement to AP within 3 days of grievance receipts; 3 GRC-PMU level shall scrutinize the records, explore the remedies available. 4 Request the DPs to produce any other records in favour of his claim. 5 Conduct field visit and collect additional information to check the validity of complaint. 6 GRC-PMU will provide decision within 21 days of receipt of complaint. 7 If DP not satisfied with the complaint resolution by GRC-PMU, the complaint will be forward to GRM at HQ level within 7 days.
Second Tier GRC at NTDC HQ level GRC-HQ	<ol style="list-style-type: none"> 1 GRC-HQ focal person acknowledged the DP complaint. 2 Scrutinize the record of GRC-PMU, investigate the remedies available. 3 Request DPs to produce any other records in favour of his claim if required. 4 After thorough review and scrutiny of available records on complaints, visit field and collect additional information if required. 5 Once investigation is completed, GRC-HQ will give decision within 21 days of receipt of complaint. 6 If DP still not satisfied, he could go to the court of law (Court of level option is available all the time for the DP, but DPs will be encouraged through first go through project based GRM).

X. RESETTLEMENT BUDGET AND FINANCING

83. All LAR preparation and implementation costs, including cost of compensation and LAR administration, will be considered an integral part of the Project cost. LARPs/RPs of each subproject will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and (iii) a cost table for all compensation expenses including administrative costs and contingencies.

84. Finances for compensation, allowances, and administration of LARPs/RPs preparation and implementation will be provided by the NTDC from its own resources. In order to ensure that sufficient funds are available for LAR tasks, the NTDC will have to allocate 100% of the cost of LARPs/RPs budget plus 10% of contingencies.

85. The PMU of NTDC will be responsible for the timely allocation of the funds needed to implement the LARPs/RPs of the TL subprojects of each tranche.

86. Contractor will disburse the compensation to the AHs with issuance of cheques and will be reimbursed by the PMU/NTDC.

87. A separate invoice to be generated by the contractor for reimbursement of costs of paid compensations to the AHs, the invoice will be separated from the civil works invoices in order to avoid inordinate delays in compensation payments.

XI. MONITORING AND REPORTING

A. General

88. LAR tasks under the Project will be subject to both internal and external monitoring. Internal monitoring will be conducted by the PMU with support from CSC. External monitoring will be carried out by an External Monitoring Agency (EMA) hired by PMU to be acceptable to ADB. The EMA will be selected among the local consultants/consulting firms or individual with demonstrated experience in planning, preparation, implementation, and monitoring of LARPs, being independent and not being part of the subprojects and LARPs/RPs preparation and implementation.

B. Internal Monitoring

89. Internal monitoring will be carried out by the PMU/ESIC with support from Supervision Consultant. The results will be presented in the quarterly and/or semi-annual internal safeguards monitoring reports and accordingly submitted to ADB. The internal monitoring reports include the 'process' and 'output' indicators. This information will be collected directly from the field and reported monthly by Supervision Consultant and compiled quarterly and submitted to the PMU to review the progress and results of LAR implementation, and to adjust the work plan/activities in accordance with the LARPs/RPs of subprojects requirements as well as implementation schedule. The following are the specific aspects to be covered by the internal monitoring reports.

- (i) Consultation with APs and information disclosure
- (ii) Disbursement of compensation for the affected items – land loss, permanent land use restrictions, structures, crops, tree and other assets to AHs
- (iii) Relocation of community structures/ public utilities

- (iv) Payments for loss of income
- (v) Land for land compensation (if any)
- (vi) Gender targets for women's recruitment and training
- (vii) Equal employment opportunities for all social groups
- (viii) Equal pay for equal work regardless of gender
- (ix) Prohibition of child labor
- (x) Income restoration activities
- (xi) Status of grievance redressal

C. External Monitoring

90. External monitoring will be carried out by an EMA. EMA shall prepare a LARP compliance reports in accordance with the requirements indicated in paragraph 13 prior to start of civil works at each three phases. The EMA reports will include the monitoring and 100% verification of compensation payments (through desk review of payment records and 10-15% sample interviews of AHs received compensations, as described in para 13 hereto) and evaluate the effectiveness of the compensation package. Additional external monitoring report may be prepared depending upon the requirements of ADB. The indicators for external monitoring tasks will depend on the scale and types of resettlement impact and will include:

- (i) Review and validate PMU's internal monitoring reports.
- (ii) Status of LARPs/RPs update and implementation including payment of compensations to the AHs.
- (iii) Review the status of relocation of community structure/ public utilities.
- (iv) Status of redressal of APs' and community complaints and time spent to resolve the grievances.
- (v) Carry out the consultations with APs, officials of project management and other concerned departments to share the feedback/lessons learnt.
- (vi) Identify gaps regarding LARPs/RPs implementation and suggest remedial measures; and also develop a corrective action plan(s).
- (vii) Assess the LAR implementation efficiency, effectiveness, impact, and its sustainability.
- (viii) EMA will also assess the status of project severely affected persons, affected vulnerable groups such as female-headed households, disabled/elderly and families below the poverty line.

Outline of LARP

1. This outline is a part of Safeguard Requirements. A LARP is required for subprojects of tranche-I with involuntary resettlement impacts. The level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the resettlement plans, although not necessarily in the order shown.

A. Executive Summary

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

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. The section is also to include a table with quantified data and provide a rationale for the final decision.

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.

Socioeconomic Information and Profile

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

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

Information Disclosure, Consultation, and Participation

6. This section:
- i). identifies project stakeholders, especially primary stakeholders.
 - ii). describes the consultation and participation mechanisms to be used during the different stages of the project cycle.

- iii). describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders.
- iv). summarizes the results of consultations with displaced persons (including host communities) and discusses how concerns raised and recommendations made were addressed in the resettlement plan.
- v). confirms disclosure of the draft resettlement plan to displaced persons and includes arrangements to disclose any subsequent plans; and
- vi). Describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with displaced persons during project implementation.

Grievance Redress Mechanisms

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

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.

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 displaced persons to derive appropriate development benefits from the project.

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 measure 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.

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 measure 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.

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.

Institutional Arrangements

13. 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/ SSMC, if involved, and organizations of displaced persons in resettlement planning and management; and
 - iv). describes how women's groups will be involved in resettlement planning and management,

Implementation Schedule

14. 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.

Monitoring and Reporting

15. 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 displaced persons in the monitoring process. This section will also describe reporting procedures.

Endorsement of Original LARF (2016) by NTDC



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Office of the
General Manager (Projects)
Environment & Social Impact Cell
141-WAPDA House, Lahore.

No. PMU/E&SIC/NTDC/987

Dated : 19-04-2016

OFFICE ORDER

Preparation of Land Acquisition and Resettlement Framework (LARF) for ADB funded Multi-Tranche Financing Facility - II (MFF-II) is a pre-requisite and accordingly NTDC has prepared the LARF. This LARF includes compensation assessment procedures/policies, institutional requirements, grievance redress mechanism, project categorization procedures and reporting requirements.

(KHALID MEHMOOD)
Manager ESIC

Officer Order – Grievance Redress Mechanism

**NATIONAL TRANSMISSION & DESPATCH COMPANY LIMITED**

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Office of the
 General Manager (Projects)
 Environment & Social Safeguard Cell
 141-WAPDA House, Lahore.

No. ME&SIC/PMU/NTDC/ 864

Dated : 14-04-2016

OFFICE ORDER

Establishment of a Grievance Redress Mechanism (GRM) in the ADB funded Multi-tranche Finance Facility-II (MFF-II) is a requirement and accordingly NTDC has established a GRM at the project and field levels. The LARF and EARF of MFF II provide details about how the GRM operates at both levels. Within this mechanism, NTDC is notifying the following GRM which will work through the project cycle of MFF II. The GRM consists of the following officials and representatives of the displaced persons and displaced persons consultation committees, set up in project specific LARPs and IEEs/EIAs. Further within the GRM, a project-specific Grievance Redressal Committee will also be established during preparation and implementation of LARPs and EMPs and LARDDRs. The GRM and GRC will comprise of the following:

- | | |
|-------------------------------------------|----------|
| 1. Project Director (EHV-I) | Convenor |
| 2. Assistant Manager (Env & Social (ESIC) | Member |
| 3. XEN (EHV-I) | Member |
| 4. SDO (EHV-I) | Member |
| 5. ALO (EHV-I) | Member |
| 6. Concerned DP or representative of DPC | Member |


 (KHALID MEHMOOD)
 Manager (ESIC)



NATIONAL TRANSMISSION & DESPATCH COMPANY

Deputy Managing Director
(Asset Development & Management)

No. DMD(AD&M)/PMU/NTDC/ 2912-20

Dated : 17/01/2020

1. The General Manager (Project Delivery/ GSC) North, Lahore
2. The General Manager (Project Delivery/GSC) South, Hyderabad
3. The General Manager (Power System Planning), Lahore
4. The Chief Engineer (PMU), Lahore
5. The Chief Financial Officer, Lahore
6. The Chief Legal Officer
7. The Chief Internal Auditor
8. The Director General (Land), Lahore

Subject: **NTDC POLICY & PROCEDURES REGARDING GRIEVANCE REDRESS MECHANISM (GRM)**

In pursuance of safeguards required by the World Bank, Asian Development Bank (ADB) and other International Financial Institutions (IFIs), a Grievance Redress Mechanism (GRM) along with Complaint & Grievance Form is prepared which will serve as a Policy Document for all NTDC Projects funded by IFIs. A copy of GRM booklet is attached for your guidance and implementation.

DA/As above

(Engr. Wajid Saeed Rana)
Dy. Managing Director (AD&M)

CC:

1. PS to MD, NTDC, 414-WAPDA House, Lahore.
2. Master File.

APPENDIX D

Steps for LARPs/RPs preparation and implementation for TL subprojects

No	Project Milestones/ key steps	Actions/ Remarks	Responsible
1	Procurement of EPC contractor	<ul style="list-style-type: none"> • LARPs/RPs budget line item/BOQ-ed in bidding documents. • Bidding documents include a reporting requirement on payment of compensations to APs monthly basis. • PMU, ESIC develops and attaches to bidding documents a template letter for notice of site possession (sectional or otherwise) 	PMU-ESIC
2	Contract award to EPC contractor	<ul style="list-style-type: none"> • PMU /ESIC conduct a meeting and reminds contractor of social safeguard requirements of the project. • If subcontractors are mobilized, PMU ESIC conduct a meeting with subcontractor as well. 	PMU-ESIC/ Contractor/ Subcontractor
3	Design preparation	<ul style="list-style-type: none"> • Final design/ TL alignment is prepared and finalized by contractor. 	Contractor
4	Identification of LAR impact and non-LAR impact sections based on the pre-final design	<ul style="list-style-type: none"> • PMU/ESIC and Contractor start identifying LAR and non-LAR sections based on the pre-final design/ alignment. 	PMU/ESIC, Contractor
5	SDDR/Social Audit Reports preparation for non-LAR sections (if applicable)	<ul style="list-style-type: none"> • Based on the identified non-LAR sections, • PMU prepares SDDR(s) and/or Social Audit Reports and submit it to ADB for review and approval 	PMU-ESIC/
6	Design approval	<ul style="list-style-type: none"> • NTDC Design Department approves the final design/ TL alignment. • At this stage, LAR and non-impact section are identified by Supervision Consultant. 	PMU, supported by CSC
7	Sectional hand-over arrangement prepared by PMU	<ul style="list-style-type: none"> • Based on the identified LAR and non-LAR sections, CSC prepares and proposes draft sectional hand-over arrangement to PMU. 	PMU-ESIC, supported by CSC
8	Sectional hand-over arrangement discussed and agreed between PMU and contractor	<ul style="list-style-type: none"> • Based on the draft sectional hand-over arrangement, NTDC and contractor i) discuss how civil work should proceed, ii) agree on the sequence and timeframe of civil works, and iii) finalize sectional hand-over arrangement. 	PMU-ESIC/ supported by CSC, Contractor
9	SDDR/Social Audit Report approved by ADB	<ul style="list-style-type: none"> • ADB reviews and approves SDDR/Social Audit Report. • Non-impact section can only be handed over after SDDR/Social Audit Report is approved by ADB. 	ADB
10	Updated LARPs/RPs preparation for LAR impact sections	<ul style="list-style-type: none"> • LARPs/RPs update process can be staggered manner based on the agreed sectional hand-over arrangement. • Compensation for entire 1-year harvest (1 or 2-crop seasons as case may be) need to be included in the LARPs/RPs. • If impacts are expected from, for example, access road or any other works on the ground, all of these impacts need to be included in LARPs/RPs in addition to the impacts from ROW. 	PMU-ESIC supported by CSC
11		<ul style="list-style-type: none"> • Implementation ready LARPs/RPs preparation schedule shared with NTDC and ADB 	PMU-ESIC, supported by CSC

No	Project Milestones/ key steps	Actions/ Remarks	Responsible
		<ul style="list-style-type: none"> Detailed measurement and any other social surveys conducted. Inventory of losses, census survey, ownership verification, valuation, meaningful consultations, information disclosure conducted. 	PMU ESIC supported by CSC
12	Updated LARPs/RPs approved by ADB	<ul style="list-style-type: none"> ADB reviews and approves updated LARPs/RPs. ADB discloses updated LARPs/RPs on ADB website. 	ADB
13	LARPs/RPs implementation (compensation payment)	<ul style="list-style-type: none"> Based on the approved LARPs/RPs, Contractor provides compensation to APs. 	Contractor in consultation with PMU-ESIC
14	Monthly monitoring report reflecting resettlement safeguard issues prepared by contractor	<ul style="list-style-type: none"> Contractor report progress of compensation payment in its monthly progress report to NTDC. 	Contractor
15	Preparation of a LARP/RP implementation compliance report	<ul style="list-style-type: none"> PMU supported CSC prepares a compliance report for the section where RP has been implemented. 	PMU ESIC supported by CSC
16	Verification of a compliance report	<ul style="list-style-type: none"> EMA prepares external monitoring report, verifies the LARP/RP compliance report and field surveys. 	EMA
17	Approval of external monitoring report	<ul style="list-style-type: none"> ADB reviews and approves the LARP/RP compliance report and the external monitoring report 	ADB
18	Notice of site possession issued to contractor	<ul style="list-style-type: none"> NTDC prepares notice of site possession to the contractor. Notice of site possession shall be based on ADB's clearance of the LARP/RP compliance implementation report. 	PMU
19	Compensation payment for residual impacts during construction stage	<ul style="list-style-type: none"> Residual impacts (which have not been captured by updated LARP/RP) must be reported in a safeguard section of a contractor's monthly report. Supervision consultant report the cases of compensation payment for residual impacts in a semi-annual monitoring report of PMU. Compensation shall be prepared and paid to APs for residual impacts in each 3-tiers compensation payment/construction approach Compensation payment for residual impact is to be verified by EMA. 	Contractor in consultation with PMU-ESIC
20	Preparation and submission of quarterly safeguards monitoring report	<ul style="list-style-type: none"> PMU supported by Supervision Consultant prepares and submit periodic safeguards monitoring reports (semi-annual or quarterly depending on significant of LAR impact for each subproject). 	PMU ESIC supported by CSC
21	Review and disclosure of semi-annual and quarterly safeguards monitoring report	<ul style="list-style-type: none"> ADB reviews, approves and disclose semi-annual and quarterly safeguards monitoring report. 	ADB