

# Resettlement Framework

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March 2014

## Philippines: Water District Development Sector Project

Prepared by Local Water and Utilities Administration for the Asian Development Bank.

## CURRENCY EQUIVALENTS

(as of 19 March 2014)

Currency unit	–	peso (Php)
Php1.00	=	\$0.0224074572
\$1.00	=	Php 44.63

## ABBREVIATIONS

ADB	–	Asian Development Bank
AH	–	affected household
AP	–	affected person
CKWD	–	City of Koronadal Water District
DA	–	Department of Agriculture
DMS	–	detailed measurement survey
EA	–	executing agency
EMA	–	external monitoring agency
GAD	–	gender and development
GAP	–	gender action plan
GRC	–	Grievance Redress Committee
GRM	–	Grievance Redress Mechanism
HH	–	Household
IA	–	Implementing Agency
IOL	–	Inventory of losses
IP	–	Indigenous Peoples Plan
LGU	–	Local Government Unit
LWUA	–	Local Water and Utilities Administration
m <sup>3</sup>	–	cubic meter
MDG	–	millennium development goal
MSFWD	–	Metro San Fernando (La Union) Water District
NEDA	–	National Economic and Development Authority
NRW	–	non-revenue water
PCUP	–	Presidential Commission on the Urban Poor
PIB	–	public information booklet
PIU	–	project implementation unit
PMU	–	project management unit
PPTA	–	project preparatory technical assistance
OCR	–	ordinary capital resources
RF	–	Resettlement Framework
ROW	–	right-of-way
RP	–	Resettlement Plan
SAR	–	Subproject Appraisal Report
SES	–	Socio-economic Survey
SPS	–	ADB's Safeguard Policy Statement (2009)
UFPF	–	Urban Financing Partnership Facility
WACC	–	weighted average cost of capital
WD	–	Water District
WDDSP	–	Water District Development Sector Project
WDRC	–	Water District Resettlement Committee

## GLOSSARY

- Affected People (APs)** – includes any person, entity or organization affected by the Project, who, on account of the involuntary acquisition of assets in support of the implementation of the Project, would have their (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house and buildings, pavements and other physical improvements, land (including residential, commercial, agricultural, plantations, forest and grazing land), water resources, annual or perennial crops and trees, or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily; and (iii) business, profession, work or source of income and livelihood lost, partly or totally, permanently or temporarily
- Compensation** – the payment in cash or in kind at replacement cost for an asset affected or to be acquired by the Project.
- Eligibility cut-off date** – the date that a population record or census, preferably at the project preparation stage, has been conducted and is determined to be the basis for qualifying persons who are eligible to receive entitlements under a Resettlement Plan (RP). The purpose of setting a cut-off date is to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits. The cut-off date will be the date of the start of the census for the RP.
- Entitlement** – refers to a range of measures comprising compensation in cash and/or in kind for loss of land and non-land assets, including assistance for income restoration and relocation and special support to poor and vulnerable households.
- Land Acquisition** – is the process whereby a person is compelled by the Government through the Executing Agency/Implementing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the Government in the implementation of the Project or any of its components in return for compensation.
- Relocation** – the physical shifting of an AP from his/her pre-project place of residence and/or business to another place.
- Replacement Cost** – the amount in cash or in kind needed to replace an asset and is the value determined as compensation for:
- a. Agricultural land based on market prices that reflect recent land sales prior to the commencement of the subproject or displacement, and in the absence of such recent sales, based on assessed and prevailing market value;
  - b. Residential land based on market prices that reflect recent land sales prior to the commencement of the subproject or displacement, and in the absence of such recent land sales, based on similar location attributes;
  - c. Houses and other related structures based on prevailing market prices of materials and labor, without depreciation nor deductions for salvaged building materials;
  - d. Crops based on prevailing market value;
  - e. Trees and other perennials based on prevailing market value; and
  - f. Other assets (i.e., income, community facilities) based on

replacement cost or the cost of mitigating measures.

- Rehabilitation** – means assistance provided to severely affected APs due to the loss of 10% or more of productive assets (i.e., farmland, crops and trees, vegetable garden, etc.), incomes, and employment, or when sources of living such as shops and places of employment have to be reconstructed completely and/or relocated. The livelihood support may be given in cash or in kind or a combination of the two in order to improve or at least achieve full restoration of living standards to pre-project levels.
- Resettlement** – is considered significant where 200 or more people experience major impacts. Major impacts are defined as involving APs being: (i) physically displaced from housing, place of residence and sources of income, and/or (ii) losing 10% or more of their productive, income-generating assets. APs experiencing major impacts are referred to as “severely affected APs”.
- Structures and structural losses** – refer to losses to constructed assets, residential houses, pavements, driveways, institutional structures, utility structures, business structures with residences attached to it and other income-producing spaces
- Severely Affected Persons** – are those who experience major impacts due to: (i) being physically displaced from their housing, place of residence and sources of income, and/or (ii) loss of 10% or more of their productive, income-generating assets.
- Vulnerable Groups** – are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) households headed by women, the elderly or disabled, (ii) households living below the poverty threshold, (iii) the landless, and (iv) indigenous people and ethnic minorities.

#### **NOTE**

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

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## INTRODUCTION

### A. Project Background

1. The Project will fund the expansion and rehabilitation of water supply systems, and pilot sanitation projects of water districts (WDs) outside Metro Manila, in order to reduce the occurrence of water-related diseases. The total Project Cost is \$76 million. The Government has requested ADB to provide a \$60 million sector loan for WDs. The Urban Environmental Infrastructure Fund Grant under the Urban Financing Partnership Facility (UEIF-UFPF) will provide a \$2 million grant to subsidize pilot sanitation facilities. Funds are expected to be channeled to WDs through the Local Water Utilities Administration (LWUA).<sup>1</sup>

2. Rapid urbanization and inadequate water supply and sanitation investments have stretched to the limit the capacity of services and facilities in many urban areas outside Metro Manila, and increased water resources pollution. Less than 50% of urban households are estimated to have piped water, with most served by WDs. Various studies report that WDs provide better water service compared to local government unit (LGU)-run water utilities, and attribute this to corporatization (i.e., WDs do not receive subsidies from LGUs) and to access to financing, training and technical assistance from LWUA.

3. Supporting WDs will help the Government achieve its millennium development goals (MDGs) for safe water and improved sanitation. The Project will provide to WDs much-needed funds to rehabilitate and expand water facilities, strengthen institutional capacities, and enhance sustainability. According to LWUA, 511 WDs were operational at year-end 2012. Most WD operations are plagued with low profitability, high nonrevenue water (NRW) levels, and weak institutional and limited technical capacity; over half are relatively small (with <3,000 service connections). The Project will target WDs who rely primarily on LWUA for technical support and financing; these WDs are likely to be in less developed provinces, cities and municipalities. The Project will also raise awareness about sanitation and seek to fund pilot sanitation facilities.

4. A project preparatory technical assistance (PPTA) prepared feasibility studies and safeguard documentation for the subprojects of two pilot WDs, City of Koronadal WD (CKWD) and Metro San Fernando WD (MSFWD), which have affirmed their interest in participating in the Project.<sup>2</sup> LWUA confirmed strong interest from other WDs for the remaining available funding under the Project.

### B. Scope of the Resettlement Framework

5. This Resettlement Framework (RF) presents the general guidelines and procedures for preparing Resettlement Plans (RPs) for subprojects under the Project. The LGUs in the City of Koronadal confirmed that public land will be made available for CKWD's water supply and

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<sup>1</sup> In 1973, to address grossly inadequate water supply and sanitation infrastructure outside Metro Manila, the Provincial Water Utilities Act (Presidential Decree 198) was passed to (i) encourage local government units (LGUs) to form water districts (WDs), corporatized entities to supply water within a franchise area, without subsidies from LGUs, and (ii) establish LWUA, a government-owned specialized lender/tariff regulator/institutional development advisor for WDs.

<sup>2</sup> A \$1.5 million PPTA (including \$0.3 million from the Government) was approved in 2007. Five pilot WDs were selected based on criteria established in 2008 by the Project stakeholders (e.g., "creditworthiness" as defined by LWUA, interest to participate, and readiness), the PPTA prepared feasibility studies and the final PPTA report submitted in May 2010. Processing of the loan was put on hold until the appointment of a new management at LWUA. In January 2012, the Government renewed its interest in finalizing the Project and ADB reengaged the PPTA consultants. Of the original five pilot WDs, CKWD and MSFWD are the remaining pilot WDs.

sanitation subprojects. An RP was prepared under the PPTA for MSFWD's subproject (water supply) where land acquisition is expected. The RP follows a process consistent with ADB's **Safeguard Policy Statement 2009** (SPS),<sup>3</sup> and Philippine laws on land acquisition and compensation. RPs of additional subprojects under the Project, if required during implementation, will be formulated using this RF and will be reviewed and endorsed by the executing agency (EA), prior to submission for ADB's approval.

## A. LEGAL FRAMEWORK

### A. Philippine Laws and Policies

6. The Philippine Constitution states that the protection of property is State Policy and is essential for Filipinos to enjoy the benefits of democracy. Private property is the right of every citizen. The Constitution also states that it prohibits depriving any person of his property without due process and no taking of property is allowed by law without just compensation. Existing legislation and guidelines that address various aspects of land acquisition and resettlement include among others Executive Order 1035, Republic Act (RA) 6657, RA 7160, RA 7279, RA 8435, and RA 8974. **Table 16.1** describes the laws and statutes applicable to aspects of resettlement.

**Table 16.1: Laws and Statutes Governing Resettlement in the Philippines  
Applicable to WDDSP**

Aspects of Resettlement	Laws and/or Statutes	Description
Community Participation and Consultation	R.A. No. 7160 (Local Government Code), Sections 2 (c) and 27.	Provide prior consultation with affected communities on any project and require the approval of the concerned Sangguniang Panglungsod (municipal council)
	R.A. No. 7279 (UDHA Law), Article I, Sec. 2; Article V, Sec. 23; Article VII, Sec. 28 (2) and IRR of UDHA, Sec. 3 (e.1)	The provisions of this law also require consultations with affected persons and communities. The results of consultations will form part of the approval of the RP by the local government units (LGU's) Sangguniang Panglungsod (SP); Sangguniang Bayan (SB)
	RA No. 8435 (Agriculture and Fisheries Modernization Act of 1997)	Consultation and participation of farmers, fisher folks and agrarian reform communities (ARCs) and other stakeholders
Land Acquisition	R.A. No. 7160 (Local Government Code), Section 19.	Provision for the LGUs or sub-national administrative entities in the exercise of the power of eminent domain but it can only be applied for "public use or purpose or for the benefit of the poor and the landless" and property owners will be paid just compensation.
	EO 1035 R.A. No. 8974 (Guidelines for Government Acquisition of Right of Way or Site Location)	Facilitating the Acquisition of Right-of-Way (ROW), Site or Location of National Government Infrastructure Projects and for Other Purposes.
	R.A. No. 7279 (Urban Development and Housing Act of 1992)	Provision for the development, award and disposal of land under usufruct arrangement for purpose and use of socialized housing and urban services.

<sup>3</sup> <http://www.adb.org/sites/default/files/pub/2009/Safeguard-Policy-Statement-June2009.pdf>

Aspects of Resettlement	Laws and/or Statutes	Description
	<p>Comprehensive Agrarian Reform Law Republic Act 6657 (1988)</p> <p>Republic Act 6389</p>	<p>RA 6657 Section 28 states that landowner shall retain his share of any standing crop un-harvested at the time the Department of Agrarian Reform (DAR) shall take possession of the land under Section 16 of this Act, and shall be given a reasonable time to harvest</p> <p>RA 6389 states that "in the event of change in land use from agriculture to other uses, agricultural lessees are entitled to disturbance compensation equivalent to five times the average of the gross harvests on his landholding during the last five preceding calendar years."</p>
Compensation	R.A. No. 8974, Sections 8, 9, 10 and 13.	<p>Provides for the compensation of affected properties based on prevailing market prices. RA 8974 - An Act to Facilitate the Acquisition of ROW</p> <p>Site or Location for National Government Infrastructure Projects. The Implementing Rules and Regulations (IRR) of this law stipulates that the Implementing Agency shall negotiate with the owner for the purchase of the property by offering first the current zonal value issued by the Bureau of Internal Revenue (BIR) for the area where the private property is located. Further, that valuation of improvements and/or structures on land to be acquired shall be based on the replacement cost, defined as the amount necessary to replace the structure or improvement based on the current market prices for materials, equipment, labor, contractor's profit and overhead, and all other attendant costs associated with the acquisition and installation in place of the affected improvements/installation.)</p>
Poor/Informal Settler	<p>R.A. No. 7279 (UDHA Law), Article V, Sections 21 and 22. Implementing Rules and Regulations of UDHA, Section 3, III (b.3.0)</p> <p>EO 1035 Sec.17 and 18</p>	<p>For urban poor, provision for basic services and livelihood component under socialized housing and urban services. They are not to be evicted nor their dwellings demolished except in accordance with the law in a just and humane manner (Constitution). Assistance is limited to payment at replacement cost for structures and improvements. Additional assistance may be provided on a case by case basis.</p> <p>Relocation/resettlement of tenants /occupants affected by Property /ROW Acquisitions. Financial assistance to be given to tenants/farmers equivalent to the value of the gross harvest for one year on the principal and secondary crops of the area acquired, based on the average annual gross harvest of the last three preceding crop years and in no case, financial assistance be less than Php15,000 per hectare.</p>
Gender equality /Women in development	<p>RA 7192</p> <p>Sec. 5</p>	<p>Promotes the integration of women as full and equal partners of men in development and nation building. All government departments will ensure women benefit equally and participate directly in the development programs and projects specifically those funded under foreign development assistance, to ensure their full participation and involvement in the development process; to provide income and employment opportunities to women and asses extent to which such programs helped in enhancing their self reliance.</p> <p>Women of legal age has the capacity to enter into contract; has the capacity to borrow and obtain loans and execute security and credit arrangements under the same conditions as men/act as incorporators and enter into insurance contracts and secure travel</p>

Aspects of Resettlement	Laws and/or Statutes	Description
		visas without the consent of their spouses, among others.
Monitoring	Executive Order No. 152 (Series of 2002)	Prescribes the broad monitoring of all types of eviction and demolitions involving the underprivileged and homeless citizens by the PCUP. All national government agencies and local government units should apply for Certificate of Compliance prior to the implementation of eviction and demolition.
Disclosure	Constitution	States "full public disclosure by the State of all its transactions involving the public interest" and "the Citizens have the right of access to information on matters of public concern."
	RA 7279	Requires that all households affected are informed of any proposed development plan.

## B. ADB Policies

7. Consistent with ADB's **Safeguard Policy Statement 2009 (SPS)**<sup>4</sup>, the aim of ADB's **Policy on Involuntary Resettlement** is to avoid involuntary resettlement wherever possible and to minimize involuntary resettlement by exploring project and design alternatives. It also aims 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.

8. The specific objectives and principles of ADB's Policy on Involuntary Resettlement are as follows:

- a. Screen the project early to identify past, present and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- b. Carry out meaningful consultations with affected persons, host communities and concerned non-government organizations. Inform all displaced persons of their entitlements and resettlement options. Insure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and indigenous peoples, and those without legal title to land and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- c. Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land-based where possible, or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot

<sup>4</sup> <http://www.adb.org/sites/default/files/pub/2009/Safeguard-Policy-Statement-June2009.pdf>



be restored, and (iv) additional revenues and services through benefit-sharing schemes where possible.

- d. 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 productive 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.
  - e. 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 affordable access to adequate housing.
  - f. Develop procedures in a transparent, consistent and equitable manner if land acquisition is through negotiated settlement, to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
  - g. 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.
  - h. Prepare the RP elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget and time-bound implementation schedule.
  - i. Disclose a draft RP, 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.
  - j. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of the 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.
  - k. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the RP under close supervision throughout project implementation.
  - l. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the RP have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring results.
9. The SPS also provides more specific policies to be observed by the borrower/client with regard compensation to displaced persons. These are:

- a. The absence of legal title to land is not a barrier to compensation and rehabilitation of affected people. All people adversely affected by the Project are entitled to the assistance to restore pre-project conditions through compensation, resettlement and livelihood restoration. The poorest and vulnerable affected people, including households headed by women, the elderly, disabled, ethnic minorities, and the landless, must be assisted to improve their socio-economic conditions.
- b. The rate of compensation for acquired housing, land and other assets will be calculated at full replacement cost. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) accrued interest; (iv) transitional and restoration costs; and (v) other applicable payments, if any. In the calculation, depreciation of structures will not be taken into account. It is expected that qualified and experienced experts will undertake the valuation of acquired assets.
- c. In the case of economically displaced persons, regardless of whether or not they are physically displaced, the borrower/client will promptly compensate for the loss of income or livelihood sources at full replacement cost. The borrower/client will compensate economically displaced persons for lost assets such as land, crops, irrigation infrastructure, and other improvements made to the land<sup>5</sup> at full replacement cost. In cases where land acquisition affects commercial structures, affected business owners are entitled to (i) the cost of reestablishing commercial activities elsewhere; (ii) the net income lost during the transition period; and (iii) the costs of transferring and reinstalling plant, machinery and other equipment. Business owners with legal rights or recognized or recognizable claims to land where they carry out commercial activities are entitled to replacement property of equal or greater value or cash compensation at full replacement cost.
- d. The borrower/client will ensure that no physical displacement or economic displacement will occur until (i) compensation at full replacement cost has been paid to each displaced person, (ii) other entitlements listed in the RP have been provided to displaced persons, and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help displaced persons improve, or at least restore, their incomes and livelihoods.

10. ADB's **Policy on Indigenous Peoples** defines "indigenous peoples" in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region. In considering these characteristics, national legislation, customary law, and any international conventions to which the country is a party will be taken into account. A group that has lost collective attachment to geographically distinct habitats or ancestral territories in the project area because of forced severance remains eligible for coverage under this policy.

11. ADB's **Policy on Indigenous Peoples** is "designed to promote the participation of indigenous peoples in project preparation and implementation, to ensure that they benefit from

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<sup>5</sup> In the case of affected persons without legal title to land, the AP will be compensated at full replacement cost for affected non-land assets.

development interventions that would affect them, and to provide effective safeguards against any adverse impacts". In any ADB interventions, the approaches to be used are as follows: (i) to achieve the greatest possible reduction of poverty among the affected indigenous peoples; (ii) when negative impacts are unavoidable, they should be minimized as much as possible, and appropriate measures will be taken to mitigate the adverse impacts; (iii) in enhancing the benefits of a development intervention for indigenous peoples or reducing negative impacts of a development intervention, clear mechanisms for accurate and objective analysis of their circumstances will be prepared; and (iv) the mechanisms for any intervention must be transparent and should ensure accountability.

12. ADB's **Policy on Gender and Development** adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring that women participate and that their needs are explicitly addressed in the decision-making process. For projects that have the potential to have substantial gender impacts, a gender action plan is prepared to identify strategies to address gender concerns and the involvement of women in the design, implementation and monitoring of the project.

13. The SR2 of SPS adopts a holistic approach in development as it mandates the incorporation of its other cross-cutting policy themes, such as the following:

(i) **Gender and Development (1998)**. It adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring that women participate and that their needs are explicitly addressed in the decision-making process for development activities;

(ii) **Public Communications Policy (2011)**. It seeks the active participation of affected people and other stakeholders during the development and review of safeguard policies on ADB-assisted programs and projects, consistent with ADB's OM Section F1/OP (March 2010); and

(iii) **Accountability Mechanism Policy (2012)**. It is part of ADB's continued efforts to enhance its capacity in responding to and/or resolving the problems associated with the implementation of its policies in all programs or projects it assists. It consists of a consultation phase and a compliance review phase, by which the problems or issues raised by the affected people and/or stakeholders are investigated and resolved.

### C. Gap Analysis and Reconciliation of Laws and Policies

14. In the design of compensation and entitlements of affected persons or households, consideration was given to the resettlement policies of the Philippine Government and that of ADB. The policies are shown in **Table 16.2** citing comparison, applicability and reconciliation in order to address the gaps in this Project.

**Table 16.2: Comparison and Reconciliation of Applicable Philippine Laws, ADB's Safeguard Policy Statement 2009 and WDDSP Project Policy**

Key Issues	Philippine Laws/ Policies	ADB Policy	WDDSP Project Policy
<p>1. Non-titled land users, caretakers/tenants of land, sub-leased space not covered by contracts between and among the owners of land, and informal settlers of private government property, including community facilities.</p>	<p><b>Philippine Constitution</b>, Article XIII, Section 10: Urban or rural poor dwellers shall not be evicted nor their dwellings demolished, except in accordance with the law and in a just humane manner. Focus is on urban poor as per UDHA. Limited assistance or protection is given to rural poor unless they are tenured agricultural underclass. The law is not very clear on assistance to small enterprises, renters.</p>	<p>Non-titled affected persons (APs) are not entitled to compensation of land but APs including renters, informal settlers/squatters are entitled to payment for non-land assets and assistance to restore their pre-project living conditions. If they are poor and vulnerable, appropriate assistance must be provided to help them improve their socio-economic status.</p>	<p>Non-titled APs are not entitled to compensation of land but APs including renters, informal settlers/squatters are entitled to payment for non-land assets and assistance to restore their pre-project living conditions. If they are poor and vulnerable, appropriate assistance must be provided to help them improve their socio-economic status. If government infrastructure is affected, owners are consulted and compensation and replacement will be provided.</p>
<p>2. Compensation for land, commercial structures, residential and income-generating spaces with attached mixed-use structures, crops and trees.</p>	<p><b>Republic Act (RA) No. 8974</b>, Sections 8, 9, 10 and 13 provides compensation of affected properties based on fair market value. <b>Executive Order (EO) 1035</b> (1985) provides for the procedures and guidelines for the expeditious acquisition of properties and rights by the Philippine Government for infrastructure and other government projects.</p>	<p>All compensation will be based on the principle of replacement cost.</p>	<p>All compensation will be based on the principle of replacement cost.</p>
<p>3. Provision of rehabilitation assistance to displaced households and vulnerable groups</p>	<p>Income restoration/ rehabilitation assistance is available only to resettled families and beneficiaries of socialized housing.</p>	<p>All eligible APs including tenants, employees of affected businesses who stand to lose their jobs, incomes or livelihoods because of project</p>	<p>Rehabilitation assistance will be provided to those who lose 10% or more of their income generating assets and/or are physically displaced.</p>

Key Issues	Philippine Laws/ Policies	ADB Policy	WDDSP Project Policy
	<p>The Philippines has laws protecting women, elderly and children, persons with disabilities, and indigenous peoples. However, the issue is proper implementation and attention given to these groups based on resettlement impacts.</p>	<p>impacts are entitled to receive one-time financial assistance to cover losses of the move, as well as economic and social rehabilitation.</p> <p>Measures to address the status of the poor and vulnerable should focus on strategies to avoid their future impoverishment and create new opportunities for them.</p>	<p>Strategies to create new opportunities to improve incomes of poor and vulnerable people to avoid further impoverishment will be developed.</p> <p>The project will provide additional assistance on a case to case basis depending on the type of vulnerability identified. This assistance will be included in each RP.</p>

### III. PROJECT PRINCIPLES

15. The Project's Resettlement Framework (RF) and entitlements have been built upon the laws of the Government of Philippines, principally the Philippine Constitution that provides basic principles of water resources development and management, which stipulate that all waters of the Philippines belong to the state and applicable laws and regulations covering land acquisition, resettlement and compensation of land and structures, and the SPS. Whenever a gap exists, ADB's Policy on Involuntary Resettlement will prevail. The basic project principles of the RF are as follows:

- (i) The acquisition of land and other assets and the relocation of APs will be minimized as much as possible by exploring all viable options.
- (ii) All compensation will be based on the principle of replacement cost.
- (iii) Rehabilitation assistance will be provided to severely affected people and other vulnerable groups to assist them to improve or at least restore their pre-project living standards, incomes and productive capacity.
- (iv) Particular attention will be paid to the needs of the poorest people and vulnerable groups that may be at high risk of impoverishment. This may include those without legal title to land or other assets, landless households, households headed by females, the elderly or disabled and other vulnerable groups. Appropriate assistance must be provided to help them improve their socio-economic status.
- (v) Lack of legal title to affected assets is not a bar to compensation and assistance.
- (vi) In case of the relocation of APs, replacement houses and/or agricultural land will be located as close as possible to the assets that were lost, and at locations acceptable to the APs.
- (vii) Efforts shall be made to maintain, to the extent possible, the existing social and cultural institutions of the resettled people and host communities.
- (viii) APs will be fully informed and closely consulted and will participate in the preparation and implementation of the RP for each subproject. The comments and suggestions of APs and communities will be taken into account during the design and implementation phases of resettlement activities.
- (ix) Adequate resources will be identified and committed during resettlement planning for each subproject and the overall Project. This includes adequate budgetary support, fully committed, for each subproject and made available to cover the costs of land acquisition, compensation, resettlement and rehabilitation within the agreed implementation period for the subproject; and adequate human resources for supervision, liaison and monitoring of land acquisition, resettlement and rehabilitation activities.
- (x) Appropriate reporting, internal and external monitoring and evaluation mechanisms will be identified and set in place as part of the resettlement management system.

(xi) Key information in each RP will be translated into Filipino or, where necessary, the local language and placed in the WD's offices for the reference of APs as well as other interested groups.

(xii) ADB shall not approve any award of civil works contract for any subproject to be financed from the loan proceeds unless following detailed design and based on detailed measurement survey (DMS), the RP has been submitted to and approved by ADB.

#### IV. THE PROJECT ENTITLEMENTS

16. The EA through its Project Management Unit (PMU) and the WDs as the IA/sub-borrowers through their respective Project Implementation Units (PIUs) for the infrastructure investment covered under the Project, will ensure that the RP activities of any subproject submitted for funding under the sector loan are conducted in accordance with ADB's Policy on Involuntary Resettlement and the Philippine Government's applicable laws and regulations.

- **Cut-off Date.** All APs who are identified in the subprojects sites on the cut-off date will be entitled to compensation for their affected assets and rehabilitation measures adequate to assist APs to improve or at least maintain their pre-project income-earning capacity, production levels, and living standards. The cut-off date will be the first day of the census in each subproject site conducted during project feasibility stage. Those who enter in the subproject site illegally after the cut-off date will not be entitled to compensation or any form of subproject assistance.
- **Potential Impacts and Entitlements.** Table 16.3 provides the types of losses and corresponding nature and scope of entitlements. However, this matrix may not cover all resettlement impacts and/or losses specific and particular to each subproject. The DMS will be the basis for the determining the final entitlements based on the actual impact and/or losses, appropriate project assistance, relocation and, special assistance to poor and vulnerable groups during the preparation of the RP. A replacement cost survey will be carried out to determine the actual replacement costs and rates.
- **Donation.** Where individuals opt to make voluntary contribution of affected land, this will be acceptable only with the following safeguards in place: (i) full consultation with APs on project entitlements with consultations conducted in a free and transparent manner, (ii) ensuring that voluntary contributions do not severely affect living standards of households and are linked directly to benefits for the AP, (iii) any voluntary contribution will be confirmed through verbal or written record and verified by an independent third party (such as representative of a peoples' organization, NGO or legal authority), (iv) adequate grievance redress mechanisms are in place, (v) land and non-land assets contributed do not belong to the poorest and most vulnerable households, (vi) the land is free from any legal disputes or controversies, and (vii) land transactions are supported by transfer of titles.

**Table 16.3: Project Entitlement Matrix**

Item	Type of Loss	Application	Entitled Persons	Compensation Policy	Implementation Issues
1a	Permanent loss of land	Agricultural/residential/commercial land/vacant plot	APs listed in the survey. with proof of ownership/claim to the land.	<p>Compensation for <b>entire loss of land</b> (i.e., the whole land is affected by the Project, or the residual unaffected portion is no longer viable for continued use and, therefore, the entire land will be acquired by the Project) and <b>partial loss</b> (i.e., only a portion of the land of the AH is acquired by the Project and the residual unaffected portion still viable for continued use or meets the expected yield) is based on the principle of replacement cost which is the method of valuing assets to replace the loss at prevailing market value, plus any transaction costs such as administrative charges, taxes, registration and titling costs.</p> <p>If AH is found to be severely affected (i.e., the loss is equivalent to 10% or more of their total income capacity or they are physically displaced from housing or place of business), the AH will be provided additional assistance as discussed under item 4 (severe impacts) of this entitlement matrix.</p>	<p>Computation of valuation of land must be transparent and explained to the entitled persons</p> <p>If there are grievances in valuation, entitled persons must be informed of the grievance mechanism</p>
1b	Permanent loss of land	Agricultural/residential/commercial land/vacant plot	APs without proof of ownership/claim to the land they occupy.	<p>Not entitled to payment for land, but will be compensated for non-land assets (structures, crops, trees, etc) at replacement cost.</p> <p>Entitled to cash or in-kind assistance if severely affected.</p>	<p>List of non-land assets to be compensated must be signed off by entitled persons</p> <p>Vulnerable and severely affected persons to be identified during census</p>



Item	Type of Loss	Application	Entitled Persons	Compensation Policy	Implementation Issues
1c	Permanent loss of land	Agricultural/residential/commercial land/vacant plot	Tenants/shareholders	Entitled to compensation for non-land assets (structures, crops, trees) at replacement cost. Entitled to cash or in-kind assistance if severely affected.	List of non-land assets to be compensated must be signed off by entitled persons Vulnerable and severely affected persons to be identified during census
2	Permanent full or partial loss of structures or income-generating spaces	Residential/commercial/institutional structures and income-generating spaces	AP owners located at the site during the cut-off date of the survey, regardless of tenure and status (i.e., owners, renters, sharers, caretakers)	<p>Compensation for permanent houses and other structures affected either in <b>full</b> (i.e., entire main structure is affected, or the unaffected portion of the main structure is no longer viable for continued use), or in <b>part</b> (i.e., only a portion of the main structure of the house, house-and-store, or shop is affected and the remaining unaffected portion is still viable for use), will be determined according to replacement value for materials and labor to rebuild similar structures, at prevailing market prices in the locality.</p> <p>In determining replacement costs, depreciation of assets and salvage value of materials will not be taken into account.</p> <p>In determining compensation for movable structures including houses, where the structures can be moved easily, transfer, relocation and repair allowances will be calculated. An assessment of material replacement will be made, based on the condition of materials, with valuations calculated based on standard replacement and restoration costs.</p> <p>Provision of transition and moving allowance/assistance (cash or in-kind) for</p>	List of structures to be compensated must be signed off by entitled persons Computation of the valuation of affected structures must be explained to entitled persons If there are grievances in valuation, entitled persons must be informed of the grievance mechanism

Item	Type of Loss	Application	Entitled Persons	Compensation Policy	Implementation Issues
				APs that opt for voluntary relocation.	
3	<b>Permanent loss of crops and trees</b>	All trees of any age, crops	All APs regardless of tenure status	Cash compensation equivalent to (i) for annual standing crops, prevailing market value of crops; (ii) for perennial crops, prevailing market value given the type, age and productive value; and (iii) for trees, the productive value or the annual production as determined by the municipal agriculturist multiplied by the estimated number of productive years; all at the time of compensation. 60 days notice to allow owners to harvest any standing crops	List of trees and crops to be compensated must be signed off by entitled persons Computation of the valuation of trees and crops must be explained to entitled persons
4	<b>Severe impacts (more than 10% of productive income affected) on productive assets</b>	Land-based income, income from trees and crops, income from business	All APs losing 10% or more of their productive income from business and other income-generating assets. regardless of tenure status	Compensation for lost income based on actual impacts as a result of DMS. Appropriate rehabilitation measures and income restoration programs Project assistance for affected households such as job referral and placements and assistance to be trained additional skills for local employment or income-generating ventures. Additional project assistance (cash or in-kind) to poor and vulnerable households will be provided	Severely impacted (more than 10% impacted) households to be identified during census
5	<b>Temporary loss/impact on assets during construction</b>	Residential structures, improvements and other physical assets affected during	APs with improvements of their residential or business structure (e.g. fences, driveways)	Cash or in-kind compensation for fixed and movable assets such as houses, pavements, fences community facilities, farm structures for animals and farmers at replacement cost. Restoration or replacement of a fixed asset one month after construction of water transmission and distribution lines,	List of affected structures to be signed off by entitled persons Schedule construction activities to minimize the period of disruption Computation of the compensation must be explained to entitled persons

<b>Item</b>	<b>Type of Loss</b>	<b>Application</b>	<b>Entitled Persons</b>	<b>Compensation Policy</b>	<b>Implementation Issues</b>
		construction	and other physical assets on lots to be traversed by transmission pipes	sanitation facilities, reservoirs and other water facilities. Compensation for residential structures and community facilities, lost in full or part	
<b>6</b>	<b>Temporary loss of income</b>	Income from livelihood, business or employment	APs with businesses or employment disrupted during construction	Compensation for lost income or wages calculated at prevailing and/or average historical rate multiplied by the number of days of disruption	APs and corresponding income losses per day to be identified during census
<b>7</b>	<b>Temporary loss/impact on access</b>	Roads, pathways and access routes used by APs to conduct economic, social or cultural activities	APs whose access to land or facilities will be affected during construction	Alternative access routes shall be provided to temporarily replace the affected route.	Convincing owners of land to provide temporary access on their land
<b>8</b>	<b>Any unanticipated impacts/losses</b>		APs entitled to compensation as per RF	Any unanticipated impact or loss will be mitigated as per WDDSP RF	Close monitoring of unanticipated impacts during implementation phase

## V. SCREENING AND PREPARATION OF RESETTLEMENT PLANS

### A. Screening

17. Resettlement screening for all subprojects will take place during the identification and selection process for funding by the Project. The EA with the assistance of a social development specialist for resettlement will determine impacts and prepare RPs based on the ADB's and Philippine Government's safeguards requirements on involuntary resettlement. Assessment of project impact such as physical displacement, loss in productive and income assets, gender, ethnicity and vulnerability impact will be appraised, and measures to mitigate them will be included in the RPs.

### B. Resettlement Plan Preparation

18. If resettlement impacts cannot be avoided for a subproject, the preparation of an RP is required. Preparation of an RP follows the procedures below:

- (i) Carry out a census of all the APs;
- (ii) Undertake DMS<sup>6</sup> of all losses of all APs. At the same time, inform potential APs (without discrimination) of the subproject, its likely impacts, and principles and entitlements as per the RF;
- (iii) Conduct a socio-economic survey (SES)<sup>7</sup> of at least 10% of all affected households, and 100% of severely affected households;
- (iv) Carry out replacement cost (valuation) survey for various types of affected assets as a basis for determining compensation rates at replacement cost. Identify losses in accordance with the entitlement matrix<sup>8</sup>;
- (v) Provide project and resettlement information to all affected in a form and language that are easy to understand, and closely consult with them on compensation and resettlement options, including relocation sites and economic rehabilitation;
- (vi) A draft RP will be prepared with an implementation schedule that harmonizes with the project schedule, a budget, procedures for grievance mechanism and monitoring and evaluation;
- (vii) Public consultation to be conducted throughout the project cycle.

### C. Surveys for Resettlement Plan Preparation

19. **Socio-economic Survey (SES).** Apart from the basic socioeconomic information<sup>9</sup> on APs that will be collected as part of the Inventory of Loss survey (IOL), a separate SES will be carried out to collect detailed socioeconomic information from 10% of marginally affected APs and 100% of severely affected APs, disaggregated by gender. The purpose of the SES is to provide baseline data on APs or households to assess resettlement impacts and design rehabilitation measures, and to be used for resettlement monitoring. The scope of data to be collected via the SES includes:

<sup>6</sup> Data will be gender and ethnic minorities disaggregated.

<sup>7</sup> It will include gender analysis and data will be gender and indigenous peoples disaggregated.

<sup>8</sup> If there are new categories of APs and or losses identified during the DMS (aside from those described in the entitlement matrix), the entitlement will be revised in accordance with ADB's policy and guidelines.

<sup>9</sup> Including AP civil status, gender, age, household size, monthly household income from different sources, tenure status over affected assets.

- (i) Names and basic information about the households (civil status and gender, information on women-headed households, elderly members, number of family members, their education levels, etc.);
- (ii) housing, institutional, commercial/selling spaces and security of tenure that denotes status of ownership, type of real property and their location;
- (iii) economic profile of the households which indicates monthly incomes and expenses, information on savings, assets owned, and borrowings;
- (iv) health, water and sanitation;
- (v) access to basic services and facilities;
- (vi) social networks as in membership in associations, types and projects of the associations, as registered voter(s) of the community, and type of assistance extended by the neighborhood;
- (vii) risks and vulnerabilities (pertaining to environmental risks, calamities, impoverishment brought about by relocation, social exclusion by being very poor, and households headed by women, elderly, disabled, etc.), peace and order and discrimination experience in the community, in which all data collected will be disaggregated for gender.

20. **Assets Inventory.** An inventory of assets or losses survey (IOL) is needed to collect data on the affected assets from 100% of APs during the project preparatory stage. If data available is based on the preliminary design, the data will be finalized during the DMS following the completion of detailed engineering design. Data collected during the DMS will constitute the formal basis for determining AP entitlements and levels of compensation and project assistance. An updated RP will be prepared and implemented prior to commencement of civil works. A list of APs resulting from the DMS will be kept by the WD. For each AP, the scope of the data will include:

- (i) Total and affected areas of land, by type of land assets;
- (ii) Total and affected areas of structures, by type of structure (main or secondary);
- (iii) Legal status of affected land and structure assets, and duration of tenure and ownership;
- (iv) Quantity and types of affected crops and trees;
- (v) Quantity of other losses, e.g., business or other income, jobs or other productive assets;
- (vi) Quantity/area of affected common property, community or public assets, by type;
- (vii) Computed replacement cost of affected assets, i.e., land, structures and improvements, income from business, crops and trees, etc.;

- (viii) Ethnicity, gender of head of household, household size, primary and secondary source of household income, income of household headed by women, elderly or disabled;
- (ix) Whether the affected land for acquisition is primary source of income;
- (x) The AP's project information and/or knowledge of the subproject and preferences for compensation (cash or in-kind) as long as it is comparable to pre-project conditions and, as required provisions of relocation sites with comparable facilities and access to income sources and the provision of rehabilitation measures are in place.

21. **Replacement Cost (Valuation) Survey.** LWUA can also engage the services of a qualified private appraiser to carry out replacement cost surveys for land and non-land assets.

## VI. CONSULTATION, GRIEVANCES REDRESS, AND DISCLOSURE

### A. Consultation and Participation

22. The participatory and consultative process for the RP preparation will emphasize community participation aimed at increasing opportunities for both men and women to take active roles and responsibilities, harness their capacities and resources in planning, implementation and monitoring in all stages of the RP process such as in DMS, site identification, entitlement allocation, monitoring of impact and benefits, discussion and settlements of grievances and participation in meetings, and discussions pertinent to the subproject components. Information to be discussed with the community will include the (i) description and general schedule of the subproject; (ii) the DMS results; (iii) policy principles, and entitlements and special provisions; (iv) grievance procedures; (iv) the period for payments and displacement schedules; and (v) institutional responsibilities.

### B. Grievance Redress

23. LWUA will create a Water District Grievance Redress Committee (WDGRC which will also handle resettlement) in each WD to determine qualified APs and safeguard their rights. The WDRC will be composed of the WD-PIU head as chair, concerned NGOs, barangay officials and households headed by women as members.

24. The Project's grievance redress mechanism shall in no way impede access to the formal legal system or the courts. The decision of the courts is for finality of case resolution. Below are the steps to be followed in filing grievances and the procedures for redress.

**Step 1:** The complainant provides the background and files the grievance/complaint verbally or in writing to the WDRC. If unwritten, the WDRC Secretary will put it in writing and will reproduce it in four copies for distribution; the original copy to WDRC; two for the WD-PIU; and one for the file of the complainant. The complainant, WDRC and representatives of PIU will meet to discuss the complaint and resolve it within 15 days.

**Step 2:** If no resolution or understanding is reached, the complainant files the grievance/complaint to the WDRC central desk at the PMU for it to be resolved within 15 days after filing. The written complaint shall be reproduced in four copies; the original to EA-PMU, two for WD-PIU, and one for the file of the complainant.

**Step 3:** Again, if no resolution or understanding is reached and if the grievance/complaint qualifies for hearing at the Municipal Trial Court (MTC) or Regional Trial Court (RTC), the household may request for assistance of the *pro bono* lawyer from the Public Attorney's office, through the WDRC. The *pro bono* lawyer shall assist the household in reproducing the formal complaint in five copies to be distributed as follows: the original to the appropriate court, one each for PMU, PIU, WDRC and for the file of the complainant.

**Step 4:** The MTC or RTC assesses the merit of the grievance/complaint, schedules the hearing and renders a decision. Appeals can be elevated to the high court. The Supreme Court's decision is final and executory.

Aggrieved parties may also inform the Office of Special Project Facilitators (OSPF) of the ADB of any project-related grievances.

APs will be exempted from all administrative and legal fees.

25. Unresolved grievance can be elevated to the proper courts. However, resorting to courts prior to availment of this complaint and grievance process will make the appellant's action dismissible, on the ground of non-exhaustion of administrative remedies. The WDRC will maintain a full record of all complaints and grievances received, and the actions taken.

### **C. Disclosure**

26. As per ADB's Public Communications Policy (2012) and the Safeguard Policy Statement, 2009 (SPS), the EA (LWUA) and each IA (each WD) will disclose to the APs the draft RP and following detailed technical design and DMS or change in scope of the subproject, the updated RP. The RP will be uploaded on the EA's and ADB's websites. It will also be uploaded on the IA/WD's website, if it has one, or posted in a public place in the IA/WD's office.

27. Information from the RP for disclosure to APs includes: (i) compensation, entitlement, relocation and rehabilitation options; (ii) the DMS results; (iii) entitlement and special provisions; (iv) grievance procedures; (v) the schedule of payments/replacements of losses; and (vi) relocation and transfer schedule. This information will be made available in leaflets or brochures to APs at the WD's offices and the public information bulletin in Filipino or a language that is easy to understand in the locality where the subproject is situated.

## **VII. RELOCATION AND INCOME RESTORATION STRATEGY**

28. The relocation and income restoration strategy will be designed with the APs during the preparation of the RP. No AP will be displaced until they are fully compensated and provided with project assistance and entitlements. APs will be provided with temporary or permanent place of land, residence (if needed), cash or in-kind assistance during disturbance or transition, and space for mixed-use (income and residence) within the vicinity of the subproject.

## **VIII. VULNERABILITY, GENDER AND ETHNICITY**

29. This RF acknowledges that specific social groups may be less able to restore their living conditions, livelihoods and income levels; and may be at greater risk of impoverishment when their land and other assets are affected. The Project will identify any specific needs or concerns that need to be considered for ethnic minorities and other vulnerable groups such as landless, poor, and households headed by women, disabled, elderly or children without means of support.

A strategy with specific actions addressing gender and ethnicity needs, as required, will be included in each RP.

## IX. INSTITUTIONAL ARRANGEMENTS

30. The overall responsibility for enforcing the RF, including RP preparation and implementation is with LWUA and the WDs. The PMU at LWUA will review and endorse the RPs to ensure compliance with the RF prior to ADB's approval. The PMU is responsible for the overall monitoring of the RPs of all subprojects. It will be assisted by project implementation consultants.

31. At the WD level, a PIU will be established and will be responsible for the preparation, updating and implementation of the RP. A resettlement focal person within the PIU will ensure that the social safeguards policies contained in the RF/RP are adhered to. The PIU will be responsible for (i) ensuring that sustained efforts will be made to enhance community relationships in the conduct of resettlement activities such as the DMS, physical design development and technical verifications, and the disclosure, preparation and implementation of income restoration program, (ii) timely delivery of compensation and entitlement to all APs, (iii) acting as grievance officers, and (iv) preparing quarterly resettlement progress reports.

## X. MONITORING AND EVALUATION

32. Monitoring and evaluation of the RP implementation assesses the degree to which the resettlement activities have achieved the resettlement objectives. In harmony with the civil works schedule, it allows the proponent to assess its accomplishments against their desired outcomes. Specifically, monitoring defines the RP's progress and provides helpful information in assessing the following critical milestones in the RP: (i) compliance with the RF and RP; (ii) the availability of resources and efficient, effective use of these resources to implement resettlement activities in accordance with the implementation schedule; (iii) the establishment of a well-functioning resettlement unit during the course of project implementation; and (iv) identification of problems, if any, and corrective actions.

33. The PMU will develop internal monitoring indicators, procedures and reporting requirements for all subprojects. Periodic reports will be submitted by the PIU to the PMU and ADB. Reports will include: (i) the status of payment of compensation and provision of assistance to APs in accordance with the approved RP; (ii) coordination and completion of compensation and, as required, resettlement activities and commencement of civil works; (iii) adherence to public information dissemination and consultation procedures, and report on activities; and (iv) adherence to grievance redress procedures, and (v) an account of project activities.

34. The subprojects of the two pilot WDs (CKWD and MSFWD) have limited impacts and will thus not require external monitoring. For subsequent subprojects that are category B with limited impacts, external monitoring is a good practice but is not a requirement as per SPS. However, should the EA decide to engage an independent agency to conduct external monitoring, this will aim to ensure that provisions in the compensation and project assistance indicated in the RP are adhered to accordingly. External monitors, when engaged by the Project, will submit periodic monitoring reports. **Table 16.4** discusses the types of indicators and information required in the conduct of external monitoring and evaluation.



Table 16.4: Indicators for External Monitoring

Type of Indicators	Indicators	Information Required in Monitoring and Evaluation
Input Indicators	Staffing	<ul style="list-style-type: none"> <li>• Number of WD staff assigned for RP implementation.</li> <li>• Number of Social Development and Resettlement Specialist(s) assigned by the PMU.</li> </ul>
Process Indicators	Consultation, Participation, and Grievances Resolution	<ul style="list-style-type: none"> <li>• Number of consultations and participation programs held with APs and various stakeholders.</li> <li>• PIBs distributed to APs.</li> <li>• Number and types of grievances received from APs and the number of days consumed by concerned GRCs in resolving them.</li> <li>• Number and names of representatives of community and APs who participated in the consultations and in RP implementation.</li> <li>• Reporting and feedback mechanism in place.</li> </ul>
	Operational Procedures	<ul style="list-style-type: none"> <li>• Types of forms used in recording the activities undertaken in RP implementation.</li> <li>• Type of database being maintained.</li> <li>• Adequacy of logistical support for implementing the RP;</li> <li>• Assess if the project policies in RP have adequately been complied with.</li> </ul>
	Issues and Problems Encountered	<ul style="list-style-type: none"> <li>• Indicate the issues and problems encountered in staffing, during consultations and grievances resolution, and in the execution of operational procedures.</li> <li>• Indicate number of consultations conducted to resolve issues and problems pertinent to compliance by the WD with the provisions of the RP.</li> </ul>
Output Indicators	Compensation and Entitlement	<ul style="list-style-type: none"> <li>• Indicate if the APs who are engaged in micro business that were affected were compensated for their temporary loss of business incomes due to project construction.</li> <li>• Indicate recorded disbursements to and acceptance of APs of their entitlement.</li> </ul>

## XI. IMPLEMENTATION SCHEDULE AND BUDGET

35. All costs relating to RP implementation are part of the subproject budget. Land acquisition, compensation for non-land assets, project assistance, subproject administration, monitoring, including contingencies will be funded by the WD. Subprojects with significant impacts will engage an external monitor.

36. The PMU will ensure the timely delivery of budget for the implementation of resettlement activities. All compensation and payments for land and non-land assets and assistance will be prepared by the PIU and the finance office of the WD. A compensation schedule chart approved by the WD will be undertaken before the project construction. Procedures for funds disbursement to APs will follow the new accounting rules and regulations of the Philippine

Government. The PIU in coordination with the budget and finance office of the WD will process the necessary documents for payments and compensation stipulated in the RP. Land acquisition, compensation and relocation of affected households cannot commence until the RP has been reviewed and approved by ADB. The PMU will allow construction activities in specific sites after all resettlement activities have been satisfactorily completed for that specific site, agreed compensation, project assistance, rehabilitation assistance is in place, and the site is free of all encumbrances.

## ANNEX 1

### SAMPLE TERMS OF REFERENCE FOR SOCIAL DEVELOPMENT AND RESETTLEMENT SPECIALIST AS PART OF PROJECT IMPLEMENTATION SUPPORT SERVICES

#### A. Project Background

1. The Water District Development Sector Project (the Project) will provide financing for improving water supply and sanitation services of water districts (WDs) in the Philippines. A feasibility study to prepare the Project has been undertaken, including documents on social safeguards to comply with ADB's financing requirements, among them the Resettlement Framework (RF) and the subproject Resettlement Plan (RP) for a pilot WD, Metro San Fernando Water District (MSFWD).

#### B. Objectives of the Consulting Services

2. The consulting services will support the Project by providing project implementation support on resettlement issues in the implementation of the Project. The services include support to the Local Water Utilities Administration (LWUA) and the WDs for conducting the Detailed Measurement Survey (DMS), updating and implementation of MWSFWD's RP based on the detailed engineering design, and preparing RPs for other subprojects to be funded under the sector loan.

3. The services will be provided to the staff of the Project Management Unit (PMU) to be established in LWUA, and to the staff of the Project Implementation Units (PIUs) of the implementing agencies (the participating WDs).

4. One national social development and resettlement consultant will be hired to provide project implementation support. They will be attached to the PMU to ensure that all work is carried out in accordance with the RF, which is in accordance with the SPS and national laws on resettlement. The consultant will bring management and technical experience and proven methods from other projects to complement and build upon the EA's knowledge of project context and implementation experience in the Philippines. The consultant will have a minimum of 8 years experience in resettlement.

#### C. Scope of Work - Social Development and Resettlement Specialist (National, 4 person-months)

5. The expert will:
- a. Ensure all RPs and IPPs for all subprojects are in line with the RF and IPPF, which reflects both national regulations and the SPS.
  - b. Prepare RPs and IPPs in accordance with RF and IPPF; review and update MSFWD's RP and inventory of losses following detailed design, including (i) identification of affected assets and affected households, (ii) replacement cost of affected assets, and (iii) cost of affected trees and crops.
  - c. Assist PMU and WDs conduct necessary surveys and consultations with stakeholders, information campaigns and community participation; conduct follow-up

consultations as necessary with affected households to disclose project-related information including updated RPs and IPPs and grievance redress mechanism procedures.

- d. Assist PMU and WDs with consultations and finalization of RPs and IPPs, as necessary during implementation, based on detailed design to reflect changes in impacts, mitigation measures, costs and monitoring plans including new compensation rates, updated budget and implementation schedules, as required; update RPs and IPPs as per detailed design and reassess all impacts case by case at the time of census update during the DMS.
- e. Assist PMU in conducting public consultations, information campaigns and community participation.
- f. Support PMU in ensuring that work carried out under RF and IPPF is in accordance with the SPS and national laws on resettlement and indigenous people: (i) Review institutional arrangements for RP and IPP implementation, assess adequacy of personnel and budget; (ii) Review PMU's and each PIU's internal monitoring system for RP and IPP implementation and internal monitoring reports, and recommend measures for enhancement; (iii) Provide necessary support and capacity building to PMU/EA and each PIU/WD for RP and IPP preparation and implementation, including orientation and training on RP and IPP activities and implementation mechanisms.
- g. Review and reconfirm entitlement matrix and make necessary adjustments acceptable to the government and ADB.
- h. Undertake due diligence assessment and prepare corrective action plans to identify permanent and temporary socio-economic impacts resulting from land acquisition, changes in land use or restrictions of access to assets and common property resources, and handle grievance and redress cases.
- i. Define categories of impact and eligibility of affected households for compensation, and prepare entitlement matrix covering compensation for lost assets and income including assistance to achieve full replacement costs for lost assets, income and livelihoods.
- j. Assist PMU monitor implementation of both involuntary resettlement and IP safeguards in accordance with updated and approved RPs and IPPs with a focus on community consultation, compensation assessment, and grievance procedures.
- k. Assist PMU engage the services of a qualified private appraiser to carry out replacement cost surveys for land and non-land assets.
- l. Assist PMU with monitoring and liaising with the external monitoring consultant as required and assist in RP and IPP monitoring and reporting formats.
- m. Work closely with local authorities and resettlement committees at all levels on resettlement-related activities and assist PMU obtain local and national clearances and approvals for RPs and IPPs.

- n. Establish and implement liaison mechanisms to ensure proper technical and logistical support between PMU, PIUs, local administrative authorities, resettlement committees and concerned government departments.
- o. Review the operation and appropriateness of the grievance redress mechanism; identify issues, if any, and advise measures if necessary for speedy resolution.
- p. Review and update the Consultation and Participation Plan including (i) the identification of key stakeholders; and (ii) key activities and their respective objectives.
- q. Assist WDs in the implementation of the Consultation and Participation Plan, including (i) identification of barriers to participation and measures to overcome or resolve them; and (ii) identification of performance gaps and measures to address them.