

Updated Resettlement Framework

Land Acquisition and Resettlement Revised in 2013
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PAK: National Trade Corridor Highway Investment Program (NTCHIP)

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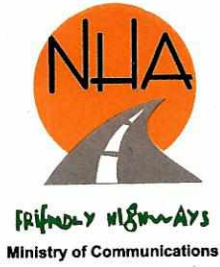
ABBREVIATIONS

AD	–	Assistant Director
ADB	–	Asian Development Bank
APs	–	Affected Persons
BOR	–	Board of Revenue
CoI	–	Corridor of Impact
CPID	–	Consultation Participation and Information Disclosure
CRRP	–	Compensation Resettlement and Rehabilitation Program/Strategy
CDC	–	Compensation Disbursement Committee
CBO	–	Community Based Organization
CSO	–	Civil Society Organization
DCR	–	District Census Report
DD	–	Deputy Director
DDO(R)	–	Deputy District Officer Revenue
DP	–	Displaced Person
DMS	–	Detailed Measurement Survey
DPCC	–	DPs Consultation Committee
EDO	–	Executive District Officer
EALS	–	Environment Afforestation Land and Social
EMA	–	External Monitoring Agency/or an individual with team
E-35	–	Hassanabdal-Havelian Expressway
Ft.	–	Feet
FGD	–	Focus Group Discussion
GM	–	General Manager
GRM	–	Grievance Redress Mechanism
GRC	–	Grievance Redress Committee
GAP	–	Gender Action Plan
GoP	–	Government of Pakistan
IP's	–	Indigenous People
IR	–	Involuntary Resettlement
ILA	–	Inventory of Lost Assets
IOL	–	Inventory of Losses
Km.	–	Kilometers
LAA	–	Land Acquisition Act, 1894
LAR	–	Land Acquisition and Resettlement
LARF	–	Land Acquisition and Resettlement Framework
LARP	–	Land Acquisition and Resettlement Plan
LARMC	–	Land Acquisition and Resettlement Management Consultants
LARIB	–	Land Acquisition and Resettlement Information Brochure
LARPSC	–	LAR Project Steering/Coordination Committee
M&E	–	Monitoring and Evaluation

NESPAK	–	National Engineering Services Pakistan (Pvt.) Ltd.
MFF	–	Multi-Tranche Financial Facility
NTC	–	National Trade Corridor
NTCHIP	–	National Trade Corridor Highway Investment Program
NHA	–	National Highway Authority
RoW	–	right-of-way
RPF	–	Resettlement Policy Framework
Rft	–	Running Feet
Sft	–	Square Feet
VLA	–	Valuation of Lost Assets

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**Government of Pakistan
Ministry of Communications
National Highway Authority**

D.O. No. E-35/LMS/EALS/NHA/
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Subject: LARP AND LARF OF E-35 PACKAGE I, II AND III

The Land Acquisition Resettlement Framework and Land Acquisition Resettlement Plans for the project of E-35 (Hassanabdal-Havelian-Mansehra) Packages I,II and III, submitted to Asian Development Bank are endorsed for the Bank's concurrence and disclosure.


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GLOSSARY OF TERMS

Affected person	Persons in the project's area of influence experiencing economic, social or environmental impacts
Compensation	Payment in cash or kind for the loss of an assets due to land acquisition and resettlement
Cut-off date	Declared date limiting the eligibility for entitlements to persons affected and displaced by land acquisition before such date, to exclude settlement and construction activity for illicit purposes
Detailed measurement survey	Exact description and quantification of all lost assets by qualified appraisal experts
Displaced person	Person affected by involuntary acquisition of land or involuntary restrictions on land use resulting in physical or economic displacement
Economic displacement	Loss of land, assets, income sources or means of livelihood as a result of involuntary acquisition of land or involuntary restrictions on land use
Entitlements	All compensation, relocation and income restoration measures due to displaced persons, specified by their property status and particular losses
Host population	Community residing in or near the area where displaced persons are relocated
Income rehabilitation	Assistance to restore and/or improve the incomes of displaced persons through allowances and provision of alternative means of income generation
Inventory of lost assets	Descriptive list of all assets lost to the project, including land, immovable property (buildings and other structures), and incomes with names of owners

Involuntary resettlement	Land acquisition and resettlement for a public purpose on the basis of eminent domain law without the consent of displaced persons
Non-titled displaced person	Displaced persons without formal legal rights to land or claims to land recognized or recognizable under national law; eligible for compensation of non-land assets
Physical displacement	Loss of residential land and/or shelter resulting in relocation as a result of involuntary acquisition of land or involuntary restrictions on land use
Relocation	Settlement of displaced persons in alternative location through relocation schemes organized by the project or government or through self-relocation
Replacement cost	Compensation for acquired land, structures and other assets, including (i) fair market value, (ii) transaction costs, (iii) interest accrued, (iv) transitional and restoration costs, and (v) other applicable payments, if any
Socio-economic survey	Assessment of the social and economic conditions of the displaced persons through a combination of quantitative and qualitative research methods, providing a baseline for monitoring and evaluation
Temporary land occupation	The use of or impacts on land and immovable property outside the right of way of the project caused temporarily by civil works related activities
Valuation of lost assets	Assessment of the value of all lost assets according to the principle of replacement cost by qualified appraisal experts
Vulnerable person	Displaced poor and other groups disproportionately affected by land acquisition and resettlement, including the elderly, disabled and female headed households

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A. INTRODUCTION

A.I Purpose of the Updated Land Acquisition and Resettlement Framework

1. **LARF Background:** The National Trade Corridor Highway Investment Program (NTCHIP) of the Government of Pakistan has been funded by Asian Development Bank (ADB) through a Multi-tranche Financing Facility (MFF). The MFF required preparation of a land acquisition and resettlement framework (LARF) to deal with the land acquisition and resettlement (LAR) impacts of subprojects under the facility. Accordingly, the National Highway Authority (NHA), the facility executing agency (EA) during the MFF processing in 2005, prepared the LARF based on ABD's Involuntary Resettlement (IR) Policy of 1995, and the Pakistan's Land Acquisition Act of 1894

2. The original LARF required updating for subsequent tranches to incorporate the MFF related LAR specific requirements for subprojects under different tranches. The ADB's Safeguard Policy Statement of 2009 (SPS) which became applicable in June 2010 also necessitated updating of original LARF and LAR requirements for projects both ongoing and to be financed.

3. **Purpose of Updated LARF:** This Updated Land Acquisition and Resettlement Framework (LARF) has been prepared to provide guidance for the preparation and implementation of Land Acquisition and Resettlement Plans (LARPs) for subprojects with land acquisition and resettlement (LAR) impacts under The aim of this updated LARF is to ensure adequate, fair and timely compensation, and proper relocation and rehabilitation of physically and/or economically displaced persons (DPs). The LARF defines the legal and policy framework, eligibility criteria and entitlements for displaced persons. It sets out procedures for LARP planning and implementation, including subproject screening, categorization and selection; social impact assessment; consultation, participation and disclosure; grievance redress; monitoring and reporting; as well as the institutional and financial arrangements for LAR.

4. Accordingly, NHA has updated this LARF to meet the SPS requirements of IR policy; principles, objectives and implementation procedures. The updated LARF complies with Pakistan's laws and acts (*pertinent to LAR issues, e.g. Pakistan's Land Acquisition Act of 1894, and Provincial Rules, Regulations and Guidelines for Punjab and Khyber Pakhtunkhaw*), and ADB's SPS 2009. NHA has endorsed this updated LARF and is responsible for its application and implementation in all subprojects that have LAR impacts and require preparation and implementation of LARPs. Nevertheless, this updated LARF will be further reviewed, updated and disclosed, if required, before loan appraisal/ADB's Management Review Meeting (MRM), for subsequent tranches of MFF.

A.II Investment Program and Projects

A.III Background:

5. The Government of Pakistan (GOP) gives major emphasis to improving the existing roads and building new motorways and expressways to improve and expand the country's road network. Construction of Faisalabad to Multan Motorway (M-4) and Hassanabdal to Havellian Expressway (E-35) is an important step towards implementation of the National Trade Corridor Highway Investment Program. The M4 (section 1) is already under construction as tranche 1 of the program MFF, while E-35 project is positioned for ADB's financing as tranche 2 of the MFF with LARPs of packages I-III have been prepared in accordance with the updated LARF and IR

specific requirements of SPS 2009. The M4 is located in Punjab province which will link the existing M1,M2 (Peshawar-Islamabad-Lahore) Motorway with M4 (Faisalabad–Khanewal section under ADB’s financing) through already constructed M3 section; Lahore–Faisalabad. It links Islamabad with central and southern Punjab and will greatly improve transportation activities. The E35 expressway is located in Khyber Pakhtunkhaw and provides an important link in the national trade corridor from Hassanabdal to Havellian, which is expected to improve the transportation activities very significantly in the area.

A.IV Investment Program-Loan Modality

6. The NTCHIP Program is financed by ADB through a Multi-tranche Financing Facility (MFF) which was approved in 2007. The MFF consists of several tranches, each covering several subprojects. The on-going tranche 1 of the MFF originally had 2 subprojects; Peshawar-Torkham Expressway and Faisalabad–Khanewal Motorway. However in 2008, NHA replaced the Peshawar Torkham Project with Hassanabdal–Havellian Expressway as tranche 2 subproject. Thus, scope of tranche 1 was reduced from 2 to 1 project, which is section 1 (58 km long motorway from Faisalabad to Gojra) of Faisalabad to Khanewal Motorway (M4).

7. The updated LARF covers the following revised investment program and subprojects under different tranches:

Table 1: Revised Investment Program

Serial #	MFF Program	Subprojects
1	Tranche 1, Project 1	Faisalabad to Gojra Section – 1, Interchanges only.
2	Tranche 2 Project 2	Hassanabdal–Havelian Expressway (E-35, packages I, II & III).
3	Tranche 3, Project 3	Section 2 of M4: Gojra to Shorkot (62 km) and 1. Bridge over River Ravi, and 2. Bridge over Sidhnai Channel.
4	Tranche 4, Project 4	Project 4: Section 3 of M4: Shorkot to Khanewal (64 km)
5	Subsequent Tranches	TBD

8. The nature of land acquisition and resettlement for the subprojects varies for each of the above mentioned projects under different tranches. Just like tranche 1 subproject; M4 section 1 that affected about 4000 people, the tranche 2 subproject; E-35 (packages I, II & III) a green field project is also expected to affect about 9000 people, who will be losing land and other productive assets to the project.

9. Both tranches (1 & 2) involve significant LAR impacts and therefore have been classified as category A for IR. LARP of tranche 1 (M4 sections 1) is under implementation, while for tranche 2, LARP of category A has been finalized and approved for implementation for package II of E35. The LARP is in conformity with the provisions of updated LARF and SPS requirements that i) impact identification and assessment is based on updated land record, ii) land and asset prices have been assessed/fixed and verified so as to meet the requirement of ADB’s replacement costs, iii) proper and grievance redress mechanisms have been adopted to take into account and address the concerns of displaced persons (DPs), which are heard, recorded and mitigated within the provisions of land acquisition act and project based grievance redress committees, and iv) meaningful consultations are made with DPs to disseminate information, record and mitigate concerns/issues in project design and alignment.

B. SCOPE OF LAR IMPACTS

B.1 Types and Severity of Potential LAR Impact

10. The following LAR impacts have been recorded based on the final engineering designs and delineated Right of Ways (RoW) for subprojects (M4 section 1-C'way and Interchanges) & E35 packages I, II & III) under tranches 1 & 2. The table 2 below provides a summary of LAR impacts recorded for the 2 projects. Overall, it is expected that a total of about 15,000 people will experience varying levels of physical and economic displacement as a result of permanent acquisition of agriculture land and different types of residential, agriculture and commercial structures. Among the affected land, are approximately 2,598 ha agricultural land, and about 325 structures of different types including residential, agriculture and commercial/business structures. Table below provides a summary of LAR impacts of these projects.

11. **Tranche 1:** Tranche 1 of the MFF consists of M4 section 1 which comprises a 58 km long carriageway and 4 interchanges. The project involves permanent acquisition of 1364 acres of productive agriculture land and 179 structures of different types and other LAR related impacts. The impacts are classified as significant for IR and a LARP of category for A was prepared in 2009, which is at an advanced stage of implementation. The LARP of interchanges, then put on hold, has now been prepared for implementation before the construction work may commence for interchanges. The table 2 below provides a summary of LAR impacts with severity.

12. **Tranche 2:** Tranche 2 consists of E-35 project that has 3 packages. The LAR impacts of the project have been assessed as significant for IR, and therefore 3 LARPs of category A will be prepared separately for each of the 3 packages. LARP of package II has been finalized, while draft LARPs for packages I&III will need to be updated when (a) the land is fully acquired, (b) final compensation at replacement costs defined and (c) census of DPs and (d) inventory of losses prepared. The table 2 below provides a summary of LAR impacts with severity.

13. **Subsequent Tranches:** The exact scope of impacts for subprojects of the subsequent Tranches 3 and 4 are not yet known, therefore LARP preparation for subprojects with LAR impact in Tranches 1 (interchanges only) and 4 will be guided by this LARF. Table 2 below provides a summary of LAR impacts with severity for tranche 1 (interchanges only) & 4 of the MFF:

Table 2: Tranche-wise LAR Impacts with severity by tranches.

Specification	Unit	Qty. affected	Total AFs	AFs Paid	% paid
LARP of Interchanges to be implemented					
Land Acquisition	Acres	55	167	To be paid	
*Structures	Nos.	5	5		
Cropped area	Acres	55	32	To be paid	
Trees	Nos.	418	25	To be paid	
Allowances	Nos.	-	7	To be paid	
Vulnerable DPs	Nos.	-	15	To be paid	
Women Headed HHs	Nos.	None-	None		

Tranche 2: E35-Hassanabdal Havellian Expressway, Package II-To be implemented					
Package I					
Land Acquisition	Acres	561.42	**3000	To be paid	
Structures	Nos.	128	89	To be paid	
Cropped area	Acres	3084	3485	To be paid	
Trees affected	Nos.	7626	285	To be paid	
Allowances	Nos.	-	89	To be paid	
Vulnerable DPs	Nos.	-	91	To be paid	
Women Headed HHs	Nos.	None	None		
Package II					
Affected land	Acres	412	2818	To be paid	
Cropped Area	Acres	338	795	To be paid	
Houses	Nos.	78	78	To be paid	
Brick Kilns	Nos.	04	04	To be paid	
Poultry farms	Nos.	05	05	To be paid	
Shops	Nos.	04	04	To be paid	
Trees	Nos.	6232	143	To be paid	
Vulnerable Allowance	Nos.		169	To be paid	
Women Headed HHs	Nos.	0	-	-	
Package III					
Land Acquisition	Acres	206	**3000	To be paid	
Structures	Nos.	31	31	To be paid	
Cropped area	Acres	127	3780	To be paid	
Trees	Nos.	12078	280	To be paid	
Allowances	Nos.		31	To be paid	
Vulnerable Allowance	Nos.	-	***about 69	To be paid	
Women Headed HHs	Nos.	0	0		
Subsequent tranches	Updated/approved LARF to be applied on subprojects as and when identified with LAR impacts				

* Mix of residential, commercial and agriculture structures

** Tentative figure. Exact number of land owners not known at this stage.

***Exact figure not known at this stage

Fig 1.1: Geographic Location of M4 Section 1 Carriageway

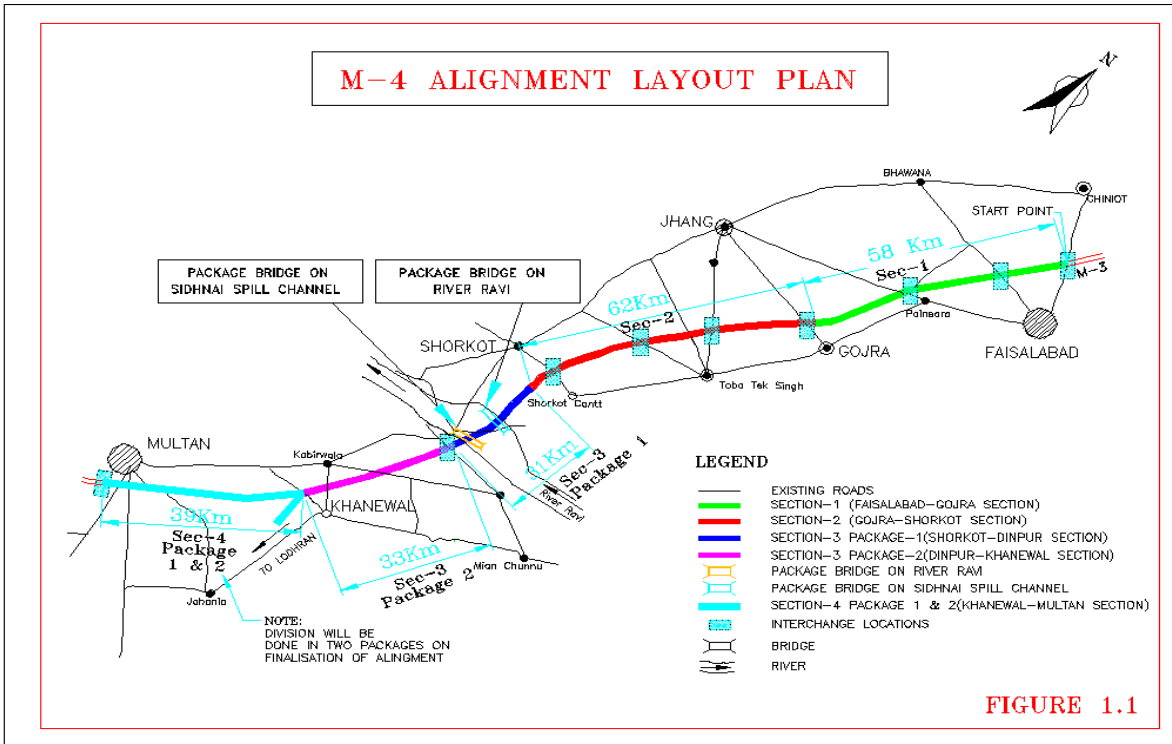
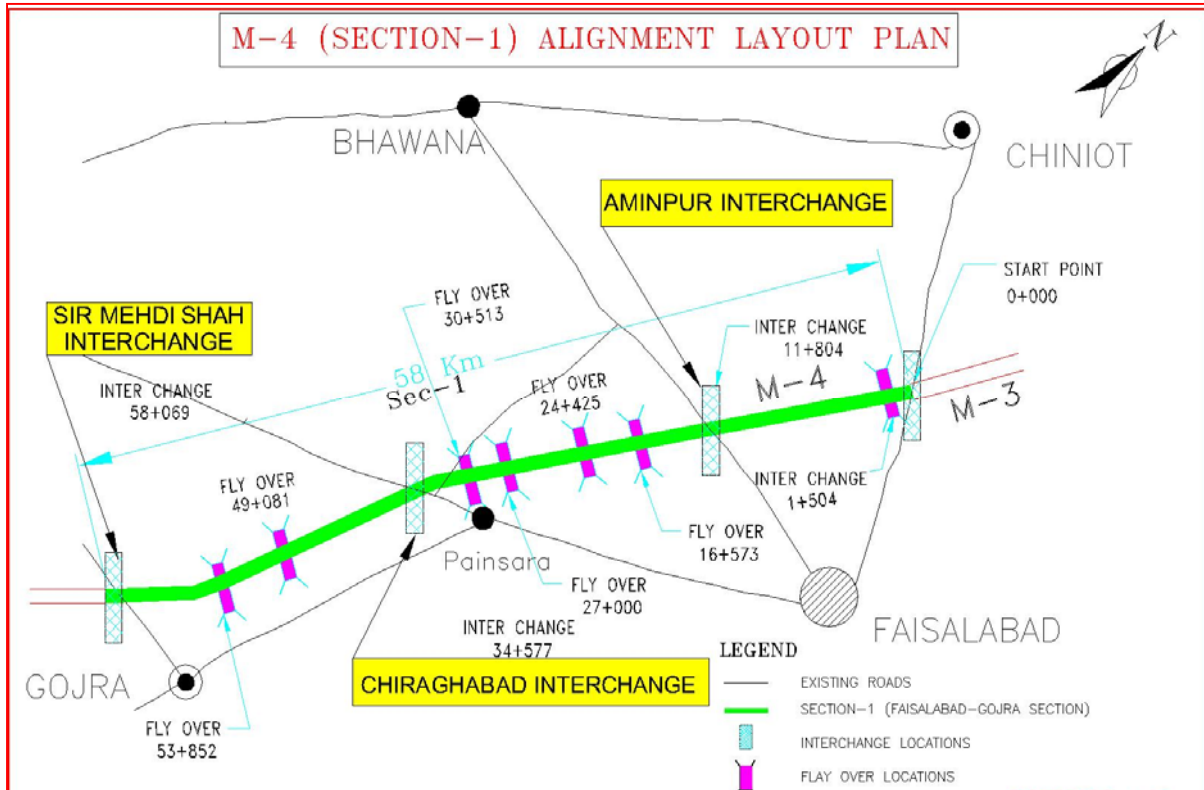


Fig 1.2: Geographic Location of M4 Section Interchanges



C. LAR PROCESSING REQUIREMENTS

C.I LAR Specific Requirements of MFF and Loan-Processing

14. Based on ADB's SPS and practice, the approval of the MFF and Tranche 2 as well as of the Periodic Financing Requests (PFR) for each subsequent tranche, and of subproject implementation require the provision of the following LAR planning documents:

- a. **PFR appraisal:** Conditional upon the preparation of (a) a LARF for the whole MFF acceptable to ADB and (b) LARPs for all the projects being appraised.
- b. If the land is acquired or land awards are announced before appraisal of any tranche, a due diligence report on land acquisition process shall be prepared to assess and identify any inconsistencies with SPS 2009, and if required, a corrective action plan (CAP) will be prepared and implemented with the LARP. However, NHA shall ensure meaning full consultation with DPs during LARP preparation and shall share the corrective action plan with DPs, record their concerns and make necessary mitigations and adjustments in LARP accordingly.
- c. **LARF review and updating:** The LARF will be reviewed, updated and submitted for ADB approval always at the start of the preparation of each tranche. This updated LARF for the MFF as a whole, prepared, disclosed and endorsed by NHA, and approved by ADB at the time of MFF appraisal¹, and applicable to all subprojects with LAR impact; the LARF to be reviewed, updated and resubmitted to ADB for endorsement and approval, as necessary.
- d. **SIA, IPSA and SPRSS:** Screening, categorization and gender sensitivity analysis are integral to social impact assessment. A Social Impact Assessment (SIA) will be carried out during LARP preparation for each Project. An Initial Poverty and Social Assessment (IPSA) at the time of MFF concept clearance and a Summary Poverty Reduction and Social Strategy (SPRSS) at the time of appraisal for each tranche, prepared by ADB and indicating, among others, the likelihood of LAR impacts, including impact severity, type of impacts and potential impact on indigenous peoples or ethnic minorities.
- e. **Impacts screening and IR categorization:** The categorization of IR impacts prepared by ADB before appraisal for each tranche, based on the impact severity categorization of the most severe impacts in any of its subprojects.
- f. **Tranche appraisal:** A complete draft LARP prepared and disclosed for each subproject with LAR impacts under each tranche by NHA at the time of each tranche appraisal, based on detailed subproject design information and commensurate with the severity of impacts at the time of appraisal of each tranche.
- g. **Condition for award of civil works contract:** A final implementable LARP prepared and disclosed for each subproject with LAR impacts by NHA and based on the final technical subproject design, reflecting final LAR impacts through final lists/census of displaced persons (DP), final detailed measurements of affected assets and final compensation rates which meet SPS requirement of replacement costs, as a condition for the award of civil contracts for each subproject.

¹ This applies to the MFF as a whole as well as any of its tranches.

- h. **Condition for commencement of civil works:** The full implementation of each LARP for a subproject with LAR impacts, as confirmed by external monitoring agency/consultant (EMA), including (i) compensation at full replacement cost paid to each displaced person for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan have been provided; and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place, as a condition for commencement of civil works and the provision of a notice to proceed to contractors.

C.II Impact on Vulnerable Displaced Persons

15. Based on indicators established for subprojects under tranches 1 & 2, households with per capita incomes at or below the poverty line, as well as low-income households headed by women, elderly and/or disabled persons are identified as vulnerable households. A total of 336vulnerable households have been identified in the projects under tranches 1 & 2.

16. These vulnerable households mostly comprise poor households living below the poverty line with meager resources and income generation limited to working as household and farming laborers. Accordingly, the projects will target specific income generation and livelihood restoration measures for these households based on the general entitlements as specified as vulnerability allowance.

C.III Impacts on Women

17. LAR impacts on women, especially in female headed and other vulnerable households, may be expected especially due to {name likely impacts by subproject based on initial field level assessments}. However, these impacts cannot be estimated quantitatively before consultations, as well as gender disaggregated censuses and surveys have been carried out in the relevant subprojects

C.III Indigenous Peoples

18. Indigenous People (IP), i.e. a distinct, vulnerable social and cultural group as defined in the SPS (2009) of ADB. The indigenous peoples safeguards are triggered if the screening for a subproject shows that there exists IPs for whom the subproject will directly or indirectly affect the dignity, human rights, livelihood systems, or culture of the IPs or affect the territories or natural or cultural resources that the IPs own, use occupy, or claim as an ancestral domain or asset., are among the persons physically and/or economically displaced by the projects. However, the screening of tranche 1 & 2 projects confirmed that no IP groups were found existing in the project areas in Punjab and KPK. Therefore, the Indigenous Peoples Safeguards of the ADB's SPS (2009) are not triggered and there is no need for preparation of indigenous peoples framework for the NTCHIP program.

19. Nevertheless, for subsequent tranches and subprojects, if the screening of projects demonstrated presence of Indigenous Peoples (IPs) groups, NHA will retain qualified and experienced experts to carry out a full culturally appropriate and gender-sensitive social impact assessment, and if impacts on IPs are identified, NHA will prepare an Indigenous Peoples Plan (IPP).

20. NHA will explore to the maximum extent possible alternative project designs to avoid physical displacement of IPs that will result in adverse impacts on their identity, culture, and

customary livelihoods. In exceptional circumstances, when avoidance is impossible, NHA in consultation with ADB will prepare an IPP or a combined LARP to address both involuntary resettlement and IP issues. Such plans need to be compatible with the IPs cultural preferences and will include a land-based resettlement strategy. Where possible, the plan will allow the affected IPs to return to the lands and territories they traditionally owned or customarily used or occupied if the reasons for their relocation cease to exist. The plan should include provisions to rehabilitate such lands, if needed.

21. Special attention will also be given to identifying and addressing the needs of disadvantaged DPs especially those below the poverty line, the landless, the elderly, women and children and the disabled, indigenous peoples, and those without legal title to land, through measures included in the LARP to improve the standard of living of the displaced poor and other vulnerable groups.

C.IV LARP Preparation and Implementation

22. LARP preparation activities will be initiated as part of the preparation of each project appraisal. Each LARP will be prepared after the completion of detailed design and will be based on the final compensation rates which meet replacement costs for affected land and assets. NHA will have the requisite LAR capacity sufficient to cover all LAR planning and implementation needs for the duration of the Project, both at headquarter (Project Management Unit-PMU) and at Project Implementation Unit-PIU in the field.

23. All compensation payments will be at replacement cost². Both deductions for taxes and any applicable fees will be neither applied nor the assets depreciated. DPs will be allowed to salvage the affected structures/assets as a measure helping restoration of lost assets and livelihoods. For land and assets, compensation and all other applicable payments will be equal to replacement costs as footnote 2 defined below. If compensation delivery is delayed beyond one year from the valuation date the land valuation survey will be repeated and rates updated accordingly. See appendix 2 for an outline of LARP preparation and implementation tasks.

² Replacement cost as in SPS 2009, SR 2 para 10 “For acquired housing, land and other assets, full replacement cost will be based on (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account” – an abstract from SPS.

D. LEGAL AND POLICY FRAMEWORK

D.I LAR Legal and Policy Framework

24. This LARF is designed on the basis of the laws and regulatory framework relevant to land acquisition and resettlement in Pakistan (Punjab and Khyber Pakhtunkhaw) and in compliance with the Involuntary Resettlement Safeguards of ADB's Safeguard Policy Statement of 2009 (SPS). To resolve any gaps between these, LAR policy principles for the project, agreed between the Borrower and ADB, are established, including a comprehensive statement on the conditions for subproject approval.

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

25. The Land Acquisition Act, 1894 (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 province has augmented the LAA by issuing provincial legislations. In Punjab, for example, valuation is done through District Price Assessment Committees (DPAC) and approval of price rests with Punjab Board of Revenue. In Khyber Pakhtunkhaw, however, the land guidelines provide for land acquisition through private negotiation between acquiring agency through the land acquisition collector and the affected land owners. The entire process from start of negotiations to compensation disbursement has to be completed inside six months. 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 is 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.

26. 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, e.g. Punjab and Khyber Pakhtunkhaw (KPK)-the provinces where M4 and E35 projects will be implemented. However, there are practices in Pakistan in which unregistered affectees have been paid compensation. Projects such as Chotiari Dam, Ghazi Barotha Hydropower, and National Highways Improvement, have awarded compensation and assistance to unregistered tenants and other forms of DPs (sharecroppers / squatters).

27. It is also noted that the LAA does not openly mandate for specific rehabilitation/assistance provisions benefiting the poor, vulnerable groups, or severely affected DPs, nor does it overtly provide for rehabilitation of income/livelihood losses or resettlement costs. This however is often done in many projects through ad hoc arrangements negotiated between a specific EA and the DPs.

28. The law 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. A listing of the Sections of the Act and their salient features is given in Table-1. 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 3 below provides salient features of major sections of the act:

Table 3: Salient Features of Pakistan’s LAA 1894

Key Sections of LAA	Salient Features of the LAA 1894
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 11 A (applicable in KPK)	Enables the Collector to acquire land through private negotiations upon request of Head of the acquiring department. Upon receipt of any such request the collector is empowered to constitute/notify a committee for assessment of market value of land and verification of title of ownership. On agreement by Head of Acquiring Department, with negotiated market value determined by the committee, the collector shall then direct parties to execute sale deed in favor of acquiring department on stamp paper.
Section 11 B (applicable in KPK)	Provides time limit of six month to complete land acquisition process from the date of notification under Section-4.
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 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 (LAA-1986)	If within a period of one year from the date of publication of declaration under section 6 in respect of any land, the Collector has not made an award under section 11 in respect to such land, the owner of the land shall, unless he has been to a material extent responsible for the delay be entitled to receive compensation for the damage suffered by him in consequence of the delay.

D.III ADB's Safeguard Policy Statement (2009)

29. 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 reach 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 into 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. **Disclose monitoring reports.**

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

30. A comparison of Pakistan's Land Acquisition Act of 1894 (LAA) and ADB's Policy on Involuntary Resettlement (IR) shows that there exist major differences in the two instruments. 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. The key issue is that by following the ADB assessment procedures, the requirements of the Pakistan and KPK regulatory systems are in compliance. Conversely, if the Government of Pakistan systems (including the Punjab and KPK systems) are followed then there are likely to be shortfalls in comparison to the ADB requirements. The key ADB Policy Principles are (i) the need to screen the project early on the planning stage (ii) carry out meaningful consultation (iii) at the minimum restore livelihood levels to the pre-project conditions and improve the livelihoods of the affected vulnerable groups (iv) prompt compensation at full replacement cost is to be paid (v) provide displaced people with adequate assistance (vi) ensure that displaced people who have no statutory rights to the land that they are working are eligible for resettlement assistance and compensation for the loss of no-land assets and (vii) disclose all reports. Table 4 below presents a gap-analysis between the Pakistan's LAA and ADB's SPS

Table 4: Comparison of LAA and ADB's SPS 2009

Key LAR Aspects	Pakistan's Land Acquisition Act of 1894	ADB IR Safeguards-SPS 2009
IR Policy	Government does not have a national or provincial policy on resettlement and rehabilitation of affected persons.	ADB Safeguard Policy Statement provides a policy on involuntary resettlement with principles, objectives and procedures for implementation
LAR Planning	No requirement of LARP	Preparation of draft and final LARP
Consultation, information and participation of DPs	No specific requirement. The decisions regarding land acquisition and the rate/amount of compensation to be paid are published in the official Gazette which is notified in accessible places so that the people affected are informed	Meaningful consultation, timely disclosure of relevant information and participation in LAR planning
Disclosure of LARP	There is no law or policy that requires preparation and disclosure of LARPs.	Disclosure of draft & final LARP to DPs and on ADB website
Grievance redress	Established under LAA through the formal land acquisition process at a point in time or through appeals to the court. Land Acquisition Collector (LAC) is the pre-land award authority to make decision on objections.	Establish GRM scaled to risks and impacts of project at project and field levels.
Assessment of social impacts	No requirement in LAA	Census, socio-economic survey, detailed measurement survey and valuation of lost assets

Key LAR Aspects	Pakistan's Land Acquisition Act of 1894	ADB IR Safeguards-SPS 2009
Cut-off date	At the time of issuance of section 4 under LAA	Determined by government procedure or at commencement of census; notification in public place and media
Involuntary LAR	LAA governs land acquisition and land is acquired strictly in accordance with vaguely defined LAA procedures.	Eminent domain is recognized and subject to social safeguard provisions
Negotiated LAR	Not encouraged	Negotiated land acquisition is encouraged and subject to social safeguard provisions
Eligible DPs	Only titled persons	All physically and economically displaced persons, including titled and non-titled, with differential entitlements
Compensation to all eligible persons with or without titles.	Compensation paid to only the title-holders	Lack of title should not be a bar to compensation. Requires equal treatment of those without clear land titles (for example squatters, or other informal settlers) in terms of their entitlements for resettlement assistance and compensation for the loss of non-land assets. Titled and non-titled with legally recognizable claims to land: land for land of equivalent value and quality or cash compensation at replacement value
Compensation of structures	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 salvage materials.	Replacement of structures or cash compensation at replacement value for all DPs, titled and non-titled
Community and public resources	Damages done to land and structures are to be paid	Restoration/provision of civic infrastructure and community services
Replacement cost	Land valuation based on the median registered land transfer rate over the 3 years prior to Section 4 of LAA being invoked. 15% compulsory land acquisition charges are paid over and above the assessed compensation. However, recent practice is that prices based on the average	Fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments without depreciation. Land valuation to be done by qualified and experienced experts.

Key LAR Aspects	Pakistan's Land Acquisition Act of 1894	ADB IR Safeguards-SPS 2009
Income restoration and livelihood support	Only compensation is paid but not resettlement allowances and/or any income restoration support. , there is no mechanism to ensure payment is made before displacement.	Enhance, at least restore, DPs' livelihoods Compensation of lost incomes and livelihood sources at full replacement cost; credit, training and employment assistance; project development benefits
Women and Vulnerable persons and	No provision in LAA	Improve livelihoods to at least national minimum standards Due consideration of women in census and surveys, consultation, grievance redress, as well as compensation and rehabilitation
Relocation assistance	No provision in LAA	Secure tenure, better housing, transitional support, infrastructure and services
Timing and notification of displacement	No specific provision in LAA. DPs are required to vacate the right of way after the land is possessed regardless whether compensation or not	No physical or economic displacement before compensation has been paid, other entitlements have been provided and income and livelihood program is in place
Monitoring and evaluation	No requirement on LAA	Monitoring and assessment of IR outcomes; disclosure of monitoring reports

D.V Remedial Measures to Bridge the GAPS

31. In order to establish a land acquisition and resettlement policy framework for the Project, which reconciles Pakistan's legal and regulatory system for LAR (LAA 1894) and ADB's IR Safeguards as in SPS 2009, and addresses the gaps between the 2 systems, the following principles (as mentioned under the project LAR policy below) will be adopted and reflected in the eligibility and entitlements provisions indicated in section E of this updated LARF on compensation entitlements. The following "Project LAR Policy" encompassing all the gap filling measures will be adopted for all subprojects under NTCHIP, including the M4 motorway and E35 expressway.

D.VI Project LAR policy

- i. Comprehensive LARPs will be prepared for every subproject with LAR impacts under the MFF.
- ii. The Projects will avoid, minimize or mitigate involuntary LAR impacts causing physical and/or economic displacement.
- iii. Displaced persons and other stakeholders will be consulted and informed about, as well as given an opportunity to participate in LAR planning in a form accessible and understandable to them.

- iv. Each draft, final or updated LARP will be submitted to ADB for review/approval, endorsed by the borrower/client and disclosed on the ADB website.
- v. A grievance redress mechanism with representation of all stakeholders will be established at the time of project inception.
- vi. A comprehensive assessment of social impacts, involving (i) a census of all displaced persons, and an inventory of their lost assets (ii) a socio-economic survey of a sample of at least 10 percent of displaced persons, and (iii) a detailed measurement survey and valuation of all lost assets as well as an assessment of lost incomes will be carried out.
- vii. An eligibility cut-off date will be declared and formalized on the date of completion of social impacts assessment survey and census of DPs.
- viii. Negotiated land acquisition will be preferred. The ADB SPS SR2 requirements apply to such negotiated settlements. Nevertheless, if negotiated settlement fails, the land will be acquired through LAA but with replacement costs awarded for compensation to the DPs.
- ix. All titled and non-titled DPs³ occupying land to be acquired by the project before the cut-off date will be eligible for compensation, relocation and rehabilitation measures, as applicable, regardless of whether the impacts are permanent or temporary, full or partial. Non-titled DPs without legally recognizable claims to land will be eligible for all compensation, relocation and rehabilitation measures, except land. The full eligibility of non-titled DPs with legally recognizable claims to land is recognized.
- x. Compensation of land and structures will be done at replacement value, either through the replacement of land or structures of equivalent or higher value and quality or through cash compensation at replacement cost. Replacement cost involves fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments without depreciation. For replacement of land or structures all transaction costs will be paid by the project or included in compensation payments to the DPs. The value of structures will not be depreciated for age.
- xi. Qualified valuation experts will be engaged to assess the value of all lost assets according to legally sanctioned principles of Pakistan's LAA and the ADB IR safeguard norm of replacement cost and value as stipulated in LAR policy principle 10. In case of conflict between these principles, the ADB requirement for replacement cost shall prevail.
- xii. All lost civic infrastructure and community services will be either restored or newly provided at relocation sites.
- xiii. Incomes and livelihood sources lost, including but not restricted to crops and trees or interruption of business activities and employment, will be fully compensated at replacement cost. DPs permanently losing incomes and livelihood sources as well as poor and vulnerable DPs are entitled to credit, training and employment assistance to maintain or improve their livelihoods.
- xiv. All DPs will be provided opportunities to share development benefits of the Project, if feasible.
- xv. Relocated DPs will receive secure tenure to replacement land, better housing, transitional support and access to civic infrastructure and services.
- xvi. DPs will not be physically or economically displaced before compensation has been paid, other entitlements have been provided and an income and livelihood program is in place.
- xvii. The effectiveness of the implementation of each subproject LARP and the impacts of its measures on the livelihoods of the DPs will be monitored during and evaluated after LARP implementation.

³This includes legal entities other than individuals, such as corporations, collectives and joint landowners.

D.VII Gender Aspects:

a. Special Provisions for Displaced Vulnerable Persons

32. To identify vulnerable persons and their households, the following vulnerability indicators were established. Vulnerable households exhibit one or a combination of the following conditions:

- i. Poverty line or less monthly per capita income.
- ii. Elderly and female headed household with/without children/others contributing/not contributing income, or income below poverty line.
- iii. Elderly head of household without children/others contributing income.
- iv. Disabled persons⁴ of household without children/others contributing income
- v. Vulnerable households and the specific LAR impacts on their livelihood will be identified in the census and socio-economic survey for each subproject and indicated in each LARP. The displaced vulnerable persons will be consulted and measures for the rehabilitation and enhancement of their livelihood will be provided to safeguard against impoverishment and to reduce their vulnerability.

b. Special Provisions for Displaced Women

33. To ensure a clear understanding and due consideration of specific LAR impacts on displaced women and to safeguard their livelihoods, specific provisions for women will be adopted for the LAR process, including (i) enumeration of all women and, if applicable, of their status as heads of household or otherwise vulnerable persons; (ii) collection of gender disaggregated socio-economic data; (iii) consultation of women in joint or separate meetings; (iv) due consideration of grievances lodged by women; and (iv) provision of compensation and/or new titles to women if they are titled or recognized owners of lost assets, and provisions of rehabilitation measures to women, if households are female headed or women's livelihood is directly concerned. The LARPs for relevant subprojects will detail the scope of LAR impact on women and where required gender action plans will be prepared, implemented and monitored within or outside LARPs.

⁴ Well-off households that are headed by women, elderly or disabled persons with incomes considerably above the poverty line are not considered vulnerable

E. ELIGIBILITY AND ENTITLEMENTS

34. On the basis of the LAR Legal and Policy Framework for the MFF/NTCHIP, the following eligibility and entitlements are recognized and applicable in land acquisition and resettlement in all of its subprojects with LAR impacts. The entitlement matrix in Table 5 summarizes the provisions for eligibility and entitlements under this updated LARF.

E.1 Eligibility

35. Eligible for compensation, relocation and livelihood rehabilitation entitlements under this updated LARF are persons who are physically and/or economically displaced due to permanent or temporary loss of land, structures and/or livelihood, whether full or partial, as a consequence of land acquisition. Such eligible DPs include the following:

- i. Owners of land and/or structures, including those recognized as legally titled or legalizable on the basis of claims recognizable under national law;
- ii. Lessees (leaseholders) of state or private land, whether long-term or short-term;
- iii. Sharecrop tenants with or without formal legal registration according to national law;
- iv. Non-titled occupants of land, such as squatters or encroachers;
- v. Business owners, whether registered under national law or informal;
- vi. Employees of private or public businesses or enterprises, whether registered under national law or informal;
- vii. Cultivators of crops and/or trees, irrespective of legal status of property relation to land;
- viii. Vulnerable persons, including households with per capita incomes at or below the poverty line, as well as low-income households headed by women, elderly and/or disabled persons.

E.II Cut-off date

36. Eligibility for entitlements under this updated LARF are limited by an officially declared and publicized cut-off date to be determined for each subproject in accordance with applicable government regulations and procedures or falling on the date of the census of displaced persons. Any person moving into land located within the alignment of the subproject after this cut-off date will not be eligible for compensation, relocation and livelihood rehabilitation entitlements under this updated LARF. Likewise, any additions of and/or alterations made to structures located within the alignment after the cut-off date (with the exception of emergency repairs) will be excluded from eligibility. Since Pakistan's legal framework does not provide a well-defined procedure establishing the cut-off-date, so the EA will establish the cut-off date which will be disclosed to the DPs through consultative meetings, focus group discussions (FGDs) and field surveys, and formalized through documentation and disclosure of reports. i

E.III Entitlements

37. Replacement value is the basic principle guiding the allocation of entitlements, i.e. the subprojects under NTCHIP will replace in kind or cash what is lost in terms of land, structures, livelihood, community facilities and services, with special provisions for the improvement of livelihoods of vulnerable displaced persons, sharing of project benefit and unanticipated impacts.

38. The entitlements and the entitlement matrix for each subproject LARP will be specific to the types of impacts, losses and eligible persons occurring in a subproject, while the provisions made in this updated LARF include a wider range of the possible cases which may arise under

the MFF NTCHIP subprojects. Each individual DP will be eligible for a combination of entitlements specific to his/her particular losses and property relations to the lost assets

E.IV Land

a. Agricultural land

39. For the partial loss of a plot/percent of the total owned agricultural plot/parcel, (taking into account functional viability of remaining plot/parcel) owners, defined as titleholders or legalizable users, receive cash compensation at replacement cost (fair market value including all transaction costs, such as applicable fees and taxes for preparation of new land surveys and cadastral maps or re-registration of titles) according to the quantity and quality (type, location etc.) of the land lost. Legalizable users will be provided with a title for the remaining land. Lessees will receive a cash refund at the rate of the rental fee proportionate to the size of the lost plot and the duration of the remaining lease period. Sharecrop tenants, irrespective of being registered or under an informal arrangement, will receive cash compensation for land loss equal to the current market value of their share of two lost harvests, in order to compensate the loss of what frequently constitutes longer-term access to land. Non-titled land users squatting or encroaching on affected land will not receive compensation for the partial loss of land. However, they will be provided with access to land through a rent to own arrangement at concessionary long-term rates on the remaining plot or on government land designated for land allocation and of comparable quality and use as well as of minimum socially acceptable size.

40. For the full loss of a plot/percent of the total owned plot (taking into account functional viability of remaining plot), owners may choose between either (i) land for land compensation through the provision of a fully titled and registered replacement plot of comparable value, quantity and quality as the lost plot at a relocation site for the displaced community or another location agreeable to the DP or (ii) cash compensation at replacement cost according to the quantity and quality of the land lost. In either case all transaction costs, such as applicable fees and taxes, will be borne by EA. Lessees will receive a cash refund at the rate of the rental fee for the duration of the remaining lease period for the entire lost plot. Sharecrop tenants, irrespective of being registered or under an informal arrangement, will receive cash compensation, as above, equal to the current market value of their share of two lost harvest for the entire lost plot. Non-titled land users squatting or encroaching on affected land will not receive compensation for the loss of land, but will be provided with access to land through a rent to own arrangement as above.

b. Residential, commercial, public and community land:

41. For the partial loss of a plot/percent of the total plot (taking into account functional viability of remaining plot), owners, defined as titleholders or legalizable users, receive cash compensation at replacement cost according to the quantity and quality of the land lost, including all transaction costs. Legalizable users will be provided with a title for the remaining land. Lessees or rental tenants will receive a cash refund at the rate of the rental fee proportionate to the size of the lost plot and the duration of the remaining lease period. Non-titled land users squatting or encroaching on affected land will not receive compensation for the partial loss of land, but will be provided with access to land through a rent to own arrangement as under the entitlements for agricultural land.

42. For the full loss of a plot/percent of the total owned plot taking into account functional viability of remaining plot), owners may choose between either (i) land for land compensation through the provision of a fully titled and registered replacement plot of comparable value, quantity and quality as the lost plot at a relocation site for the displaced community or another location agreeable to the DP or (ii) cash compensation at replacement cost according to the quantity and quality of the land lost. In either case all transaction costs, such as applicable fees and taxes, will be borne by the EA. Lessees or rental tenants will receive a cash refund at the rate of the rental fee for the duration of the remaining lease period for the entire lost plot. Non-titled land users squatting or encroaching on affected land will not receive compensation for the loss of land, but will be provided with access to land through a rent to own arrangement as above.

Temporary land acquisition

c. Temporary occupation of land

43. Temporary occupation of land is required in the short term for construction and other uses during civil works, owners, lessees and tenants will receive a rental fee commensurate with current local land rents for the period of occupation of the land. All DPs so affected will have guaranteed access to their land and structures located on their remaining land and their land will be restored to its original state.

E.V Structures

44. For the partial loss structure/percent of the total of a residential, agricultural, commercial, public and community structure or its alteration (taking into account of functional/economic viability of remaining or un-affected part of the structure), the owners, including non-titled land users, will receive cash compensation for the lost parts of a structure at replacement cost and for the repair of the remaining structure at the market rate for materials, labor, transport and other incidental costs, without deduction of depreciation for the age of the structure. They have the right to salvage all usable materials from the lost structures. Lessees and rental tenants receive a cash refund at the rate of the rental fee proportionate to the size of the lost part of the structure and the duration of the remaining lease period.

45. For the full loss of a residential, agricultural, commercial, public and community structure/percent of the total structure (taking into account functional/economic viability of remaining structure) the owners, including non-titled land users, may choose between either (i) the provision of a fully titled and registered replacement structure of comparable value, quantity and quality, including payment for all transaction costs, such as applicable fees and taxes, at a relocation site or another location agreeable to the DP or (ii) cash compensation at replacement cost, including all transaction costs, such as applicable fees and taxes, without deduction of depreciation for age, for self-relocation. If the market value of a replacement structure is below that of the lost structure, the owner will be paid cash compensation for the difference in value without deduction of depreciation for age. If the market value of the replacement structure is above that of the lost structure, no further deductions will be made. In either case the owners have the right to salvage all usable materials from the lost structures.

46. If minor structures, such as fences, sheds or latrines, need to be moved, their owners or the lessees and tenants, depending on the arrangements between owners and tenants, may either (i) receive cash compensation for self-relocation of the structure at the current market rate

for the cost of labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age or (ii) the structure may be relocated by the Project.

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

E.VI Relocation

d. Relocation assistance

48. Where applicable, the DPs will be provided logistical support for the identification and purchase or rental of replacement plots and/or structures, or the construction of new structures, as the case may be, as well as with all related administrative tasks. The physically displaced persons will be relocated at a relocation site or will self-relocate at individual sites and structures of their own choice.

e. Security of tenure

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

f. Relocation sites

50. Adequate housing, agricultural land, business premises and other structures, constituting replacement value and/or cost according to according to eligibility for applicable entitlements for land and structures, will be provided to all displaced persons resettled at relocation sites. All relocation sites will be provided with fully functional public services and facilities, including schools, health centers, libraries, community centers, electricity, water supply and sewage, and irrigation facilities, etc. Their long-term operation and maintenance will be planned and ensured.

g. Transport allowance

51. As shifting/relocation and/or transport allowance, all DPs to be relocated due to loss of land and/or structures including residences, business premises or agricultural land, are entitled to receive a cash allowance to cover the cost of transport of people and their movable property (furniture, household items, personal effects, machinery, tools etc.) and of setting up at the new premises at the current market rate for labor, vehicle hire, fuel and incidental costs. The allowance is calculated on the basis of actual costs and receipts are to be provided to the project.

h. Transition allowances

52. To facilitate the moving and settling in process a transition allowance of 3-6 months of the official minimum wage/OPL (whichever is greater) is paid in addition to any income loss compensation, as applicable.

53. If relocation sites with completed housing and full facilities are not available in time, the DPs will be provided with transition arrangements, either in the form of adequate transition

housing of a standard comparable to the lost housing, or with a rental allowance permitting the rental of housing at such a standard and covering the entire transition period.

i. Host communities

54. Public services and facilities established in relocation sites, which are not available in the host communities, where relocation sites are established, will be shared with these or they will be provided with separate appropriate service and facilities, as required.

E.VII Income Restoration

j. Crops

55. Cultivators of affected crops will be paid cash compensation for the loss of a crop at the current market rate proportionate to the size of the lost plot, based on the crop type and the highest average yield from among the past 3 years from the date of assessment. The parties to a share cropping arrangement will distribute this compensation between the landowner and the tenant according to the legally stipulated or the traditionally or informally agreed share.

k. Trees

56. Cultivators of affected trees will receive cash compensation for perennial tree crops at the current market rate of the crop type and average yield (i) multiplied, for immature non-bearing trees, by the years required to grow such a tree back to productivity or (ii) multiplied, for mature crop bearing trees, by the average years of crops forgone. In addition, the cost of purchase of seedlings and required inputs to replace these trees will be paid. For timber trees cash compensation will be paid at the current market rate of the timber value of the species at current volume, in addition to the cost of purchase of seedlings and required inputs to replace the trees. The rates and valuation methods will be determined using the accepted methodology in use at the Departments of Agriculture and Forestry.

l. Permanent loss of agriculture based livelihood

57. In case of a partial loss of agricultural land without available replacement land, but remaining viable land, in addition to cash compensation for the loss of land as indicated above, the displaced owner, lessee, sharecrop tenant or non-titled user of land will be provided with financial support for investments in productivity enhancing inputs, including but not limited to land leveling, terracing, biological, erosion control, sprinkler/drip irrigation, composting, tools and agricultural extension, as feasible and applicable. Additional financial support in the form of grants and micro-credit will be available, if the compensation for partial land loss is insufficient to allow for adequate investments to maintain the DP's livelihood.

58. For the full loss of viable agricultural land without availability of alternative land, in addition to cash compensation for the loss of land as indicated above, the displaced owner, lessee, sharecrop tenant or non-titled user of land will be provided with re-training, job-placement, additional financial support in the form of grants and micro-credit for investments in equipment and buildings, as well as with organizational and logistical support to establish the DP in an alternative income generation activity. If possible Project EA will coordinate and/or cooperate with governmental and non-governmental income generation and micro-enterprise development initiatives.

m. Maintenance of access to means of livelihood

59. The Project EA will ensure that the agricultural fields, business premises and residences of persons in the project area remain accessible, by either avoiding the obstruction of such access or by including special provisions for access in the technical design of subproject facilities. The relevant subproject LARPs will elaborate on specific anticipated impacts and outline measures to ensure access.

n. Businesses

60. For the temporary loss of business income due to LAR or construction activities by the project the owner of a business will receive cash compensation equal to the lost income during the period of business interruption up to 3-6 months, based on tax records or, in their absence, comparable rates from registered businesses of the same type with tax records. However, if tax based lost incomes are unknown, then official poverty line (inflation adjusted) will become the minimum rate of compensation per family per month,

61. For permanent loss of business due to LAR without the possibility of establishing an alternative business or re-establishing the lost business at a new location, the owner will be compensated with (i) cash compensation equal to the lost income for 6-12 months, based on tax records or, in their absence, comparable rates from registered businesses of the same type with tax records, if tax based lost incomes are unknown, then official poverty line (inflation adjusted) will become the minimum rate of compensation per family per month, and (ii) provision of re-training, job-placement, additional financial support in the form of grants and micro-credit for investments in equipment and buildings, as well as organizational and logistical support to establish the DP in an alternative income generation activity. Coordination with relevant governmental and non-governmental programs will be sought.

o. Employment

62. The temporary loss of employment due to LAR or construction activities among all laid-off employees of affected businesses will be compensated through cash compensation equal to the lost wages during the period of employment interruption up to 3 months, based on tax records or registered wages, or, in their absence, comparable rates for employment of the same type. As may be required under Pakistan's labor laws and regulations/codes, the compensation for lost income from employment will be paid to the employer to enable him/her to fulfill applicable legal obligations to provide compensation payments to laid-off employees. An arrangement of payment disbursement between employer and laid-off employees would need to be documented, verified and made part of the LARP. If, however, tax based lost incomes are unknown, then official poverty line (inflation adjusted) will become the minimum rate of compensation per family per month. The prompt and full payment of compensation to the employees is to be verified by an authorized official by EA.

63. For the permanent loss of employment due to LAR with the possibility of re-employment in a similar sector and position in or near the area of lost employment the laid-off employees will be (i) paid cash compensation equal to the lost wages for 3-6 months, based on tax records or registered wages, or, in their absence, comparable rates for employment of the same type, as may be required by Pakistan Labor Laws and regulations/codes, the compensation for lost income from employment will be paid to the employer to enable him/her to fulfill applicable legal obligations to provide compensation payments to laid-off employees. An arrangement of payment disbursement between employer and laid-off employees would need to be documented,

verified and made part of the LARP. If, however, tax based lost incomes are unknown, then official poverty line (inflation adjusted) will become the minimum rate of compensation per family per month. All possibilities will be explored to provide training, job-placement, additional financial support (if required) in the form of grants and micro-credit for investments in equipment and buildings, as well as organizational and logistical support to establish the DP in an alternative income generation activity. Coordination and cooperation with relevant governmental and non-governmental programs. The prompt and full payment of compensation to the employees is to be verified by an authorized official by EA and external monitoring agency (EMA).

E.VIII. Public services and facilities

64. Public services and facilities interrupted and/or displaced due to LAR will be fully restored and re-established at their original location or a relocation site. All compensation, relocation and rehabilitation provisions of this updated LARF are applicable to public services and facilities. These include but are not limited to schools, health centers, community centers, local government administration, water supply or graveyards.

E.IX Special provisions

p. Vulnerable DPs

65. All vulnerable DPs, as defined in paras. 16–17 and 32–33 of this updated LARF, are entitled to livelihood restoration/improvement support in the form of cash and/or training, job-placement, additional financial support in the form of grants and micro-credit for investments in business or re-employment related equipment and buildings, as well as organizational and logistical support to establish the DP in an alternative income generation activity. Training and support in a viable and suitable income generation activity selected by the DP is eligible for support, including in agriculture, manufacturing or services. To facilitate the process of training and establishment of a new income generation activity, a subsistence allowance of 3-6 months of the official minimum wage/OPL (whichever is greater) is paid in addition to any income loss compensation and transition allowance, as applicable. Coordination and cooperation with relevant governmental and non-governmental programs will be sought. Moreover, all vulnerable DPs receive preferential consideration in the selection of project related employment, including civil works, as well as the operation and maintenance of the facilities constructed under the project. This provision will be reflected in the civil works contracts as well as the agreements between the project executing agency and the ADB.

66. All vulnerable DPs affected by the loss of land will be assisted with the identification and purchase or rental of a new plot and/or structure, as the case may be, as well as the administrative process of land transfer, including cadastral mapping and registration of their property titles. Assistance will also be provided with the preparation of compensation, relocation and rehabilitation agreements with the executing agency or authorized government agency.

67. All vulnerable DPs affected by the loss of a structure will be assisted with the construction of a new structure or the identification and purchase or rental of a new structure, as the case may be. Further assistance will be given with the administrative process of registration of the new property, with the transition to the relocation site and with the preparation of compensation, relocation and rehabilitation agreements with the executing agency or authorized government agency.

68. Temporary occupation of land at properties owned or occupied by vulnerable persons will be avoided and, if unavoidable, preferentially mitigated. Civil works at these sites will be completed as quickly as possible. For disabled and elderly persons suitable access to their land and residences will be ensured.

q. Women

69. Women DPs who are the titled or recognized owners of land and structures or whose livelihoods are directly affected will receive compensation and titles for replacement land and structures, as well as other entitlements, in their name. Any monetary compensation due to women will be disbursed to them directly.

r. Benefit sharing

70. All DPs will have preferential access to benefits provided under the project, as feasible. The relevant subproject LARPs will indicate the respective project service(s) and/or facilities and the procedures for their provision.

s. Update of LARF

71. For unanticipated impacts identified during project implementation and not covered under the eligibility and entitlement provisions of this updated LARF, new and additional eligibility and entitlement provisions will be determined in accordance with the IR safeguards requirements of the ADB's SPS and the applicable legal framework of Pakistan. An updated LARF will be prepared, endorsed by the borrower and reviewed by ADB before disclosure on the ADB website.

72. Specific subproject LARPs will be updated with new eligibility and entitlement provisions on account of unidentified impacts and losses under any subprojects as well. The displaced persons concerned will be consulted.

73. The standards agreed and established for the eligibility and entitlement provisions of this updated LARF shall be maintained and may be raised, but not lowered in any update of this LARF or any subproject LARPs.

Table 5: Entitlement Matrix

Type of Loss	Specification	Eligibility	Entitlements
1. LAND			
Impact on land-based livelihoods	All land losses	All DPs with land-based livelihoods affected	<ul style="list-style-type: none"> • Preference given to land-based resettlement strategies that include resettlement on public or private land acquired or purchased for resettlement with secure tenure. If land is not the preferred option of DPs, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment will be provided in addition to cash compensation at full replacement costs for land and other assets lost. The lack of land will be demonstrated to the satisfaction of ADB. • The following entitlements will apply if replacement land is not available or is not the preferred option of the

Type of Loss	Specification	Eligibility	Entitlements
			DPS:
Permanent impact on arable land	All land losses independently from impact severity	Owner (titleholder, or holder of traditional rights)	<ul style="list-style-type: none"> Cash compensation at full replacement cost (RC⁵) including fair market value plus all transaction costs, applicable fees and taxes and any other payment applicable If BoR⁶ compensation falls below RC, the project will pay the difference as resettlement assistance or supplementary compensation to support to affected livelihoods.
		Lessee/tenant (registered/unregistered)	<ul style="list-style-type: none"> As agreed between lessee and lease holder, either renewal of lease in other plots of same characteristics and/or cash refund at rate of rental/lease fee proportionate to size of lost plot and duration of remaining lease period or cash compensation equivalent to market value of gross yield of affected land for remaining lease period up to a maximum of 1 year.
		Sharecropper/tenant (registered/unregistered)	<ul style="list-style-type: none"> For temporary impact cash compensation equal to current market value (based on gross yield of lost harvest) of share of 2 lost harvests proportionate to size of lost plot For permanent impact additional crop compensation of 1 harvest in addition cash compensation for temporary impact.
		Agriculture laborers losing wages/contracts	<ul style="list-style-type: none"> Cash compensation equal to the salary (including portions in kind) for remainder of their job contract for a period of six months, whichever is higher. If salary paid to the laborers is less than official poverty line (OPL), the compensation amount per month will not be less than the OPL.
		Non-titled user (squatter, encroacher)	<ul style="list-style-type: none"> No compensation for land loss Income rehabilitation allowance in cash equal to net value of annual crop production based on relevant cropping pattern/cultivation record (additional to standard crop compensation as below defined) and other appropriate rehabilitation to be defined in the LARPs based on project situation and DP consultation. Compensation for any irrigation infrastructure and other improvements made to the land (but not for the land) at full replacement cost.
Residential/commercial land	All land losses independently from impact severity	Titleholder, or holder of traditional rights	<ul style="list-style-type: none"> Cash compensation at full replacement cost (RC⁷) including fair market value plus all transaction costs, applicable fees and taxes and any other payment applicable If BoR compensation falls below RC, the project will pay the difference as resettlement assistance or supplementary compensation to support to affected livelihoods.
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund at rate of rental fee proportionate to size of lost plot and duration of remaining lease period already paid

⁵ Refer to IR safeguards as in SR2 para 10 of SPS 2009

⁶ Board of Revenue, provincial agency with a mandate to approve compensation rate/amount

⁷ Refer to IR safeguards as in SR2 para 10 of SPS 2009

Type of Loss	Specification	Eligibility	Entitlements
		Renter/ leaseholder	<ul style="list-style-type: none"> An allowance in cash equivalent to 3-6 months' rent and any non-refundable rent deposit (in addition to standard provision of relocation/disturbance allowance as specified below).
		Non-titled user without traditional rights (squatters)	<ul style="list-style-type: none"> No compensation for land loss Self-relocation allowance in cash equivalent to 3-6 months livelihood based on OPL, or as assessed based on income analysis. Where required, additional support required ensuring improved standard of living to be determined through the social impact assessment.
		Vulnerable DPs (including those below the poverty line, the landless, the elderly, women and children, and indigenous peoples)	<ul style="list-style-type: none"> Provide 3-6 months of subsistence allowance to help vulnerable DPs restore/improve their livelihoods. Assist them in improving their living standard to at least national minimum standards by providing legal and affordable access to land and resources in rural areas, and with appropriate income sources and legal and affordable access to adequate housing in urban areas.
Temporary land occupation	Land temporarily required during civil works	Owner, lessee, tenant	<ul style="list-style-type: none"> Rental fee payment for period of occupation of land, as mutually agreed by the parties Restoration of land to original state Guarantee of access to land and structures located on remaining land
		Non-titled user	<ul style="list-style-type: none"> Restoration of land to original state Guarantee of access to land and structures located on remaining land
2. STRUCTURES			
Residential, agricultural, commercial, public, community	Partial Loss of structure	Owner (including non-titled land user)	<ul style="list-style-type: none"> Cash compensation for lost or all parts of structure (based on functional viability) at full replacement cost and repair of remaining structure at market rate for materials, labor, transport and other incidental costs, without deduction of depreciation for age Right to salvage materials from lost structure For vulnerable households, provide legal and affordable access to adequate housing to improve their living standard to at least national minimum standard.
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund at rate of rental fee proportionate to size of lost part of structure and duration of remaining lease period already paid.
	Full loss of structure and relocation	Owner (including non-titled land user)	<p>The DP may choose between the following alternatives:</p> <ul style="list-style-type: none"> Compensation through provision of fully titled and registered replacement structure of comparable quality and value, including payment of all transaction costs, such as applicable fees and taxes, at a relocation site or a location agreeable to the DP <ul style="list-style-type: none"> If the market value of the replacement structure is below that of the lost structure, cash compensation for the difference in value without deduction of depreciation for age If the market value of the replacement structure is above that of the lost structure, no further deductions <p>Or</p> <ul style="list-style-type: none"> Cash compensation at full replacement cost, including

Type of Loss	Specification	Eligibility	Entitlements
			<p>all transaction costs, such as applicable fees and taxes, without deduction of depreciation for age, for self-relocation</p> <p>In either case</p> <ul style="list-style-type: none"> • Right to salvage materials from lost structure
		Lessee, tenant	<ul style="list-style-type: none"> • Cash refund at rate of rental fee proportionate to duration of remaining lease period
	Moving of minor structures (fences, sheds, latrines etc.)	Owner, lessee, tenant	<p>The DP may choose between the following alternatives:</p> <ul style="list-style-type: none"> • Cash compensation for self-relocation of structure at market rate (labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age) <p>Or</p> <ul style="list-style-type: none"> • Relocation of the structure by the Project
	Stalls, kiosks	Vendors (including titled and non-titled land users)	<ul style="list-style-type: none"> • Allocation of alternative location comparable to lost location <p>And</p> <ul style="list-style-type: none"> • Cash compensation for self-relocation of stall/kiosk at market rate (labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age)
3. RELOCATION			
Assistance and allowances	Residence or means of livelihood (agricultural land, business premises)	All DPs to be relocated due to loss of land and/or structures	<ul style="list-style-type: none"> • Logistical and administrative assistance with identification and purchasing or rental of replacement plots and/or structures, or the construction of new • Cash allowance covering the cost of transport of people and their moveable property at current market rate on actual cost basis • Transition allowance of 6 months of official minimum wage • Transition housing of equal quality to lost housing or rental payment for equivalent housing for the duration of delay of completion of relocation housing/site structures
Security of tenure	Residence or means of livelihood	Owner (titleholder, legalizable user)	<ul style="list-style-type: none"> • Ownership titles to land and structures
		Lessee, tenant	<ul style="list-style-type: none"> • Long-term rental agreements
		Non-titled user (squatter, encroacher)	<ul style="list-style-type: none"> • Long-term rental agreements for land and structures OR • Rent to own agreements for land • Ownership titles to structures
Relocation sites	Residence or means of livelihood	All DPs to be relocated due to loss of land and/or structures	<ul style="list-style-type: none"> • Provision of land and structures according to eligibility for applicable entitlements for land and structures • Functional public services and facilities, including all basic amenities with arrangements for long-term operation and maintenance
Host communities		Host community residents	<ul style="list-style-type: none"> • Sharing of public services and facilities established in relocation sites or separate provision
4. INCOME RESTORATION			
Crops	Affected crops	Cultivator	<ul style="list-style-type: none"> • Cash compensation at current market rate proportionate to size of lost plot, based on crop type and highest average yield over past 3 years
		Parties to	<ul style="list-style-type: none"> • Same as above and distributed between land owner

Type of Loss	Specification	Eligibility	Entitlements
		sharecrop arrangement	and tenant according to legally stipulated or traditionally/informally agreed share
Trees	Affected trees	Cultivator	<ul style="list-style-type: none"> Cash compensation for perennial crop trees at current market rate of crop type and average yield (i) multiplied, for immature non-bearing trees, by the years required to grow tree to productivity or (ii) multiplied, for mature crop bearing trees, by the average years of crops forgone; plus cost of purchase of seedlings and required inputs to replace trees. Cash compensation for timber trees at current market rate of timber value of species at current volume, plus cost of purchase of seedlings and required inputs to replace trees.
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share
Permanent loss of agriculture based livelihood	Partial loss of agricultural land with viable land remaining	Owner, lessee, sharecrop tenant, non-titled land user	<ul style="list-style-type: none"> Provision of support for investments in productivity enhancing inputs, such as land leveling, terracing, biological, erosion control, sprinkler/drip irrigation, composting, tools and agricultural extension, as feasible and applicable; additional financial support if land compensation is insufficient to allow for adequate investments to maintain livelihood
	Full loss of viable agricultural land without availability of alternative land	Owner, lessee, sharecrop tenant, non-titled land user	<ul style="list-style-type: none"> Provision of re-training, job-placement, additional financial grants and micro-credit for equipment and buildings, as well as organizational/logistical support to establish DP in alternative income generation activity
Maintenance of access to means of livelihood	Avoidance of obstruction by subproject facilities	All DPs	<ul style="list-style-type: none"> Provide un-interrupted access to agricultural fields, business premises and residences of persons in the project area.
Businesses	Temporary business loss due to LAR or construction activities by Project	Owner of business (registered, informal)	<ul style="list-style-type: none"> Cash compensation equal to lost income during period of business interruption up to 3-6 months based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax records, or at least inflation adjusted OPL.
	Permanent business loss due to LAR without possibility of establishing alternative business	Owner of business (registered, informal)	<ul style="list-style-type: none"> Cash compensation equal to lost income for one 6-12 months based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax records, or at least inflation adjusted OPL And Provision of re-training, job-placement, additional financial grants and micro-credit for equipment and buildings, as well as organizational/logistical support to establish DP in alternative income generation activity
Employment	Temporary employment loss due to LAR or construction activities	All laid-off employees of affected businesses	<ul style="list-style-type: none"> Cash compensation equal to lost wages during period of employment interruption up to 3 months based on tax record or registered wage, or, in its absence, comparable rates for employment of the same type, or at least inflation adjusted OPL. If required by Pakistan's labor laws and regulations/codes, the compensation will be paid to the employer to enable him/her to fulfill legal obligations to

Type of Loss	Specification	Eligibility	Entitlements
			provide compensation payments to laid-off employees, to be verified by EA/relevant government official.
	Permanent employment loss due to LAR without possibility of re-employment in similar sector and position in or near area of lost employment	All laid-off employees of affected businesses	<ul style="list-style-type: none"> Cash compensation equal to lost wages for 3-6 months, based on tax record or registered wage, or, in its absence, comparable rates for employment of the same type, or at least inflation adjusted OPL. If required by the applicable labor code, compensation will be paid to employer to enable him/her to fulfill legal obligations to provide severance payments to laid-off employees, to be verified by government labor inspector And Provision of re-training, job-placement, additional financial grants and micro-credit for equipment and buildings, as well as organizational/logistical support to establish DP in alternative income generation activity
5. PUBLIC SERVICES AND FACILITIES			
Loss of public services and facilities	Schools, health centers, administrative services, infrastructure services, graveyards etc.	Service provider	<ul style="list-style-type: none"> Full restoration at original site or re-establishment at relocation site of lost public services and facilities, including replacement of related land and relocation of structures according to provisions under sections 1 and 2 of this entitlement matrix
6. SPECIAL PROVISIONS			
Vulnerable APs	Livelihood improvement	All vulnerable DPs	<ul style="list-style-type: none"> Provision of training, job-placement, additional financial grants and micro-credit for equipment and buildings, as well as organizational/logistical support to establish DP in alternative income generation activity Subsistence allowance of 3-6 months of official minimum wage or OPL, whichever is greater, and other appropriate rehabilitation to be defined in the LARPs based on income analysis, and consultations with DPs but not lower than national minimum standards. Preferential selection for project related employment
	Loss of land	All vulnerable DPs	<ul style="list-style-type: none"> Assistance in identification and purchase or rental of new plot Assistance with administrative process of land transfer, property title, cadastral mapping and preparation of compensation agreements
	Loss of structure	All vulnerable DPs	<ul style="list-style-type: none"> Assistance in construction of new structure Assistance in identification and purchase or rental of new structure Assistance with administrative process of registration of property and preparation of compensation agreements Assistance with transition to relocation site
	Temporary land acquisition	All vulnerable DPs	<ul style="list-style-type: none"> Preferential treatment to avoid or mitigate as quickly as possible Provision of access to land and residence suitable to disabled and elderly DPs
Women	Loss of land and structures	Titled or recognized female owners of land and structures	<ul style="list-style-type: none"> Titling of replacement land and structures in female owner's name Cash compensation at full replacement cost paid directly to female owners

Type of Loss	Specification	Eligibility	Entitlements
	Loss of livelihood	Female livelihood losers directly affected	<ul style="list-style-type: none"> • Compensation paid directly to female livelihood loser
Benefit sharing	Access to project benefits	All DPs	<ul style="list-style-type: none"> • Provision of key social amenities will be made available to DPs
Update of LARF	Unanticipated impacts and negotiated changes to entitlements	All DPs	<ul style="list-style-type: none"> • To be determined in accordance with the IR safeguards requirements of the ADB SPS and local legal framework • LARF and specific subproject LARPs to be updated and disclosed on ADB website • Standards of this LARF not to be lowered

E.X Assessment of compensation unit rates/values

74. The general methodology of assessment of compensation rates of different items is as follows:

- i. Compensation for Land and Assets: The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs.
- ii. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any.
- iii. Where market conditions are absent or in a formative stage, NHA will consult with the displaced persons and host populations to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information.
- iv. NHA will also collect baseline data on housing, house types, and construction materials.
- v. Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account

F. SOCIAL IMPACT ASSESSMENT - ASSESSMENT OF LAR IMPACTS

75. In the preparation of LARPs for each subproject with LAR impacts under this investment Program (NTCHIP) a detailed assessment of LAR and its social impacts will be carried out, including an initial screening and categorization of impacts, a census of DPs with an inventory of lost assets (ILA), a socio-economic survey (SES), a detailed measurement survey (DMS) and valuation of lost assets (VLA). Depending on the progress of the technical design of subproject facilities, the assessment of LAR impacts will be based on an estimate of asset losses, if exact alignments are not yet known (draft LARP), or, if a detailed engineering design is available, on comprehensive and accurate measurements of actual impacts (final LARP). The results of the LAR Impact Assessment will be presented in aggregate form in the subproject LARPs, as well as for each household in their annex.

F.I Screening

76. In accordance with section C this updated LARF, each tranche of the MFF will be screened for expected overall LAR impacts at appraisal and an IR Categorization Form, classifying the tranche's significance of impact and elaborating LAR conditions and planning measures, will be prepared. In addition, a Summary Poverty Reduction and Social Strategy (SPRSS), indicating, among others, LAR issues, impact severity and planning actions will also be prepared. The impact category of each tranche is determined by adding the number of persons experiencing major impacts in all of its subprojects.

77. The MFF tranches with significant LAR impacts are classified as Category A. If LAR impact is not deemed significant, a project is Category B, and if there is none, Category C. Significant impact is indicated if 200 or more persons will experience major impacts, such as (i) physical displacement from housing or (ii) loss of 10 percent or more of their productive, i.e. income generating, assets. Non-significant impact occurs if less than 200 persons experience major impacts.

F.II Census of Displaced Persons and inventory of lost assets (ILA)

78. At the beginning of the preparation of the census and ILA, the NHA's project staff and consultants tasked with LAR planning will work closely with the design engineers in the field to minimize LAR impact as much as technically feasible. The subproject LARPs will contain a statement describing the efforts made to minimize LAR impacts. The LAR and engineering staff, in cooperation with the concerned land administration officials will also prepare LAR Impact Maps showing the alignment of subproject facilities and, based on cadastral maps, the boundaries of properties; so that the affected land and structures can be identified. These maps will be included in each subproject LARP. The land administration officials will also be requested to provide existing records for the DPs and lost assets. Based on these records and the LAR Impact Maps, the LAR staff and consultants will undertake the census and inventory of lost assets in consultation with the DPs at each affected property.

79. Using a questionnaire, a census enumerates all physically and economically displaced persons in a subproject, including all displaced households, and, if applicable, displaced enterprises. Displaced community assets will also be recorded by interviewing the officials or persons in charge. The census questionnaire will query the size and members of a displaced household, its project affected assets (land, structures) with estimated sizes and associated property status, as well as income sources (business, crops, employment). In addition, a limited number of socio-economic characteristics of the displaced households, such as ethnicity, gender, age and education of its members, head of household, total income and its sources, as

well as vulnerability in terms of poverty, age, disabilities and gender of household head, will be recorded. The census will also inquire into the compensation preferences and expectations of each displaced household.

80. The data on affected assets will be used to prepare a quantitative ILA as part of the LAR impact database, including land, immovable property (buildings and other structures), and income losses. The ILA will be corroborated or updated with information from relevant government sources, such as offices in charge of land administration and property registration. If necessary, outdated official records will be updated according to the current status of the DP's assets. If the LAR impact assessment is based on the feasibility design of a subproject, a preliminary project impact assessment and asset valuation will be prepared based on estimated impacts. If a final detailed engineering design is available, a complete census and updated ILA will provide the basis for the detailed measurement survey (DMS) indicating the final complete quantification of all lost assets caused by a subproject. The data from the census and ILA are presented in the section on the scope of LAR impacts in aggregate form, and for each individual household or legal entity in the annex of each LARP. The census of 100% DPs and ILA will be carried out by NHA officials and consultants deputed to the project's LAR tasks.

81. In each subproject NHA will publically announce an eligibility cut-off date at the beginning of the census and notify the DPs about the LAR impact of the project.

F.III Socio-economic survey (SES)

82. A socio-economic survey will be carried out for every subproject LARP to obtain a detailed understanding of the social and economic conditions of the DPs and to provide baseline data for the monitoring of the implementation of the LARP and the impacts of the project. The SES will be carried out by the project staff and consultants deputed by NHA to undertake LAR work.

83. As appropriate, a combination of research methods will be used, including a quantitative sample survey, focus group discussions, key informant interviews and a walkthrough to observe the area in which the DPs live and work, in addition to a desk study of relevant secondary sources from official records and statistics, as well as academic and other subject matter related reports.

84. The sample size for the survey depends on the size of the total population of displaced persons in a subproject. If the total population of DPs is large, i.e. above 100 households, a sample of 10 percent of all and 20 percent of significantly affected persons is appropriate. A smaller displaced population requires the sampling of a larger percentage. Sampling will be a combination of purposive selection of specific groups in the population from various affected locations and random selection within these groups.

85. The key variables covered in the surveys and qualitative interviews will include (i) demography; (ii) social organization; (iii) income and assets; (iv) occupational structure; (v) access to public services; and (vi) personal property. All data collection and presentation needs to be disaggregated by gender and other relevant social characteristics, depending on the social groups of concern (for example IP, ethnic or vulnerable groups). The subproject LARP reports on the findings of the SES and provides observations on the wider social, economic and cultural context of the DPs. Special attention is paid to possible previous or future occurrence of displacement due to LAR among the communities of the DPs.

F.III Detailed measurement survey (DMS) and valuation of lost assets (VLA)

86. The detailed measurement survey (DMS) and valuation of lost assets (VLA) provide an exact quantification and valuation of the assets lost due to the LAR impacts of a subproject. They will be carried out in collaboration with qualified appraisers of the BOR, SBP accredited valuers, certified companies, individuals and non-governmental organizations (NGOs) certified in valuation. A third-party with expertise in valuation will be engaged as an independent third party to observe and verify or undertake the DMS and VLA process. The census of DPs, ILA and LAR impact maps guide the preparation of the DMS and VLA.

87. The DMS determines the exact size, type, and quality of each asset identified in the ILA. Existing records in land and property registries are referred to, but field measurements will be carried out by the subproject to verify exact quantities. The DMS covers all types of land and structures and identifies their property status. It is carried out in the presence of the DPs owning and/or using the assets concerned, who confirm the results of the DMS with their signature. In case of a dispute, the subproject's LAR specialist and the agency tasked with the DMS seek to resolve disagreements in situ or the issue is referred to the Grievance Redress Mechanism. The DMS will also identify income losses of displaced businesses and their employees, based on official records, including contracts, tax records, and accounts. Income losses from agricultural activity will assess lost harvests, measuring the quantities of all applicable types of lost crops and trees.

88. The VLA will assess (e.g. assessment by District Assessment Committee in Punjab) the value of all lost assets according to the principle of replacement cost and value and the provisions in the chapter on eligibility and entitlements of this updated LARF. Thus, the lost assets of DPs will be replaced either in cash or in kind. This requires that the exact quantity, type and quality of lost land, structures, businesses, jobs or crops are identified by the DMS and an accurate value constituting full replacement cost will be assessed. Para 74 of the updated LARF indicates the agreed definition of replacement cost as involving fair market value, transactions costs, interest accrued, transitional and restoration costs and other applicable payments, if any, without depreciation. Each LARP will specify the procedures and explain the assessment methodologies used in the VLA for a subproject under this project/facility.

89. As the legal framework for land acquisition in Pakistan does not permit payment of compensation rates above government (BOR) rates, the assets lost due to subprojects (M4 and E35 projects) under NTCHIP will be assessed according to the principle of replacement cost as outlined in this updated LARF. The BOR considers average market rate based on registered land transactions as fair market value although not compatible with ADB's requirement of replacement cost. Therefore, the difference between BOR and RC will need to be worked out through valuation study by qualified and experienced experts. In cases where compensation has been already awarded, the BOR, under the prevailing LAA practice, is not authorized to accept or reject any additional amount of compensation (over and above the BOR price). However, NHA will be required to arrange the balance amount and pay to the DPs to comply with the conditions of loan agreements.

F.V Gender impact and mitigation measures

90. Women hold key economic roles in project areas and engage in a wide range of income generating activities in the agricultural and marketing sector. However with less voice, visibility,

and skills women are more vulnerable to project impact which negatively affects their livelihoods. NHA will pay particular attention to ensure that women are adequately included in LAR process and are given special attention in delivery of fair and timely compensation and support to the women. In order to ensure the above effectively happens, NHA will also prepare gender action plans (GAP) for the projects under the MFF and would take the following actions in this regard:

- i. Inclusion of women in the impact enumerators.
- ii. Conduction of gender-disaggregated DP census and impacts assessments to pinpoint how many women are likely to be affected by the Project and establish their pre-Project conditions.
- iii. Inclusion of women as major participants in the consultation processes.
- iv. Emphasize the effect of LAR impacts on women in monitoring and evaluation of LARP.
- v. Joint registration of land use rights in the names of husband and wife in instances where households are allocated alternative agricultural and/or residential land;
- vi. Joint payment of resettlement allowances and relocation assistance;
- vii. Use of participation/consultation strategies that encourage the involvement of women, ethnic minorities and poor households in resettlement planning and implementation;
- viii. Gender responsive grievance redress mechanism;
- ix. Give to women and poor access to project related employment opportunities;
- x. When possible include Women government officials in the coordinating committees established to facilitate LARP preparation and implementation.
- xi. Prepare and implement Gender Action Plans (GAP).

G. CONSULTATION, PARTICIPATION AND INFORMATION DISCLOSURE (CPID)

G.I CPID Strategy

91. NHA for each subproject under the MFF will implement a comprehensive consultation, participation and information disclosure (CPID) strategy to ensure the DPs are meaningfully consulted in LAR process and their views and concerns are fully taken into account for appropriate steps taken to resolve them. The consultations will involve the displaced persons and other relevant stakeholders including community leaders host communities, civil society organizations (CSOs) and non-governmental organizations, district government and project staff and consultants.

92. The LARPs will provide a stakeholder analysis of all persons who are directly or indirectly involved in the project, including DPs, project and related government staff, and host communities, and determine the need for consultation, participation and information. The CPID is an ongoing process, which starts with field investigations for the design of the project alignment, through preparation of draft LARPs, LARP implementation and its monitoring, and ends after the final evaluation of the implementation of LARPs.

93. Formal consultation meetings will be held with all DPs, at which project LAR staff and consultants, district revenue officials as well as representatives of civil society organizations (CSO) or Non-governmental organizations (NGO) and other pertinent stakeholders will participate. The draft LARPs, based on the results of consultations and impact surveys in the field, will be disclosed. In particular the DPs will be informed about their rights and obligations, the institutional arrangements, the procedures, which need to be followed, and the grievance redress mechanism (GRM). During LARP preparation the official eligibility cut-off date for the subproject will be announced at every meeting with DPs. Every revision and update of the draft LARP requires a new disclosure and consultation meeting with DPs. Any critical issue and complaint will be raised, discussed and resolved, if possible, at these meetings.

94. Separate meetings with women and vulnerable DPs will be held where these tend to be constrained by the dominance of men and powerful sections of the DP communities. In addition, individual meetings and focus group discussions (FGD) will be held formally and informally, as and when the opportunity or need arises during field activities, such as census, IOL, SES, DMS and VLA. NHA will arrange joint field inspections of affected land and structures and of relocation sites among DPs and subproject staff and relevant government staff and other stakeholders to physically inspect and verify impacts, and to ascertain the state of suitability and readiness of relocation sites (where required). Individual negotiation meetings will be held with DPs, as necessary, to resolve any disagreements and reach individual agreements.

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

96. The Project LAR staff and consultants will prepare a LAR Information Booklet (LARIB) for all DPs in the local language(s) with concise information on all of the key aspects of the LAR process of a subproject, such as project description, legal framework, institutional arrangements,

grievance mechanism, general eligibility and entitlement provisions, assessment of impacts, CRRP strategy, and the timing of LAR activities. The LARIB will be updated with every LARP update. In addition, the cut-off date and other information on relevant issues will be disclosed/publicized to DPS and other stakeholders in the project area through leaflets and brochures (in local language) made available at project and relevant government offices. All information dissemination will be made in the local languages. For illiterate DPs oral and/or pictorial means of communication will be used.

97. After reaching mutual agreement on the LARPs in the formal consultation meetings, the government endorsed draft and final LARPs will be disclosed on the ADB website. All detailed specific information for displaced persons and their households will be kept anonymous in publically disclosed documents by omitting their names.

98. During internal monitoring of LARP, the project LAR staff will carry out individual and focus group meetings with the DPs to record the process and impact of LARP implementation for each subproject. For all subprojects with IR impact category A, the external monitor will repeatedly carry out individual and focus group meetings as well as quantitative surveys.

G.II Disclosure

99. The updated LARF and LARPs (draft and final) and LARIB will need to be translated into Urdu and disclosed to the DPs and placed in accessible places and in a form understandable to DPs and other stakeholders, including the relevant PIU and union offices. The LARF and LARPs will also be disclosed in English and Urdu on ADB and NHA's websites before appraisal of the project.

100. Any corrective action plan (CAP), if required, prepared during the project implementation will also be disclosed to DPs and on ADB's website.

101. Internal/external monitoring reports of LARP implementation will be disclosed to the DPs and on ADB's website.

The table 6 below outlines the successive steps of the CPID strategy⁸.

⁸The CPID strategy shown assumes that a final detailed design of the subproject alignment is available and final LAR impacts can be ascertained. In case of preliminary design, the same sequence of steps is followed to prepare a draft LARP based on preliminary data. The consultation/negotiation meetings and finalization of entitlements can be omitted. The cut-off date notification on the other hand may apply only to the project preparation phase.

Table 6: Consultation, Participation and Information Disclosure Strategy

No.	CPID activity	Issues to address	Participants	Communication methods
LARP related millstones				
1	Field verification and identification of LAR impacts	Discuss LAR impacts with DPs, minimize impact	DPs, design consultants, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	Individual meetings, FGD
2	Notification of DPs on project, LAR and cut-off date	Inform DPs about project, LAR impact and temporal limitation of eligibility	DPs, LAC, Patwari, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	LAR and Cut-Off Date Notification Forms, notices in project area, district revenue office, etc.
3	Census, ILA, SES	Discuss concerns and preferences of DPs, notify cut-off date	DPs, LAC, Patwari, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	Quantitative surveys, walk-through, FGD, individual and key informant interviews
4	DMS, VLA	Transparently involve DPs in measurements, resolve disagreements, get signatures on DMS results	DPs, LAC, Patwari, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	Individual meetings, FGD
5	Consultation meeting on (draft) final LARP	Explanation and discussion of DPs' rights and obligations, institutional arrangements, procedures, GRM, eligibility criteria and entitlements, CR) strategy; agreements between the PIU and the DPs; election of DP representatives for DP Committee; other issues	DPs, LAC, Patwari, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	Formal meeting
6	DP Consultation Committee meeting	Formation of committees, election of committee representatives to liaise/ coordinate with grievance redress mechanism	DP Committee representatives LAC, Patwari, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	Formal meeting

No.	CPID activity	Issues to address	Participants	Communication methods
LARP related millstones				
7	Provision of draft LARIB	Project description, legal framework, institutional arrangements, grievance redress mechanism, general eligibility and entitlement provisions, assessment of impacts, CRR strategy with specific entitlements for each DP, the timing of LAR activities	LAC, Patwari, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	Distribution at consultation meeting and at local government offices
8	Negotiation meetings	Resolution of remaining disagreements with individual DPs and finalization of negotiated settlements.	DPs, LAC, Patwari, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	Individual meetings
9	Documentation of all CPID activities	Attendance lists (signed and certified), minutes, photos for draft LARP	NHA LAR staff and consultants, LAR management consultants	Documentation
10	Consultation meeting on revised (draft) final LARP	Inform DPs about changes to LARP after consultations and negotiations, as well as ADB review	DPs, , LAC, Patwari, NHA LAR staff and consultants, LAR management consultants and relevant officials of revenue department	Formal meeting
11	Provision of final LARIB	Revised LARIB contents based on consultations and negotiations, as well as ADB and government review	NHA LAR staff and consultants, LAR management consultants	Distribution at consultation meeting and at local government offices
12	Revised documentation of all CPID activities	Additional attendance lists (signed and certified), minutes, photos for draft LARP	NHA LAR staff and consultants, LAR management consultants	Documentation
13	Disclosure of (draft) final LARP on ADB website	Full public disclosure of all subproject LAR planning	ADB, NHA LAR staff and consultants, LAR management consultants	Web publication
14	Internal monitoring	Record process of LARP implementation and impacts	NHA LAR staff and consultants, LAR management consultants	Individual meetings, FGD, field visits
15	External monitoring and evaluation	Record process of LARP implementation and impacts and assess outcomes	DPs, external monitor	Individual meetings, FGD, field visits, quantitative surveys

No.	CPID activities and Issues to address	Participants	Communication method
Land Acquisition related milestones			
16	Disclosure of Section 4 of LAA and cut-off date for eligibility and project entitlements	NHA's LAR staff at PIU, LARP consultants LAR management consultants and representative of EALS.	Individual meetings and FGDs
17	Issuance of Section 5 and survey of land (DMS), update DPs record of rights/land and prepare acquaintance role (Jamabandi) Assessment of land and asset prices by DPAC.	District Revenue Officials, Land Acquisition Collector, Local Patwari and field land staff NHA's LAR staff LARP consultants LAR management consultants Representative of EALS	Individual meetings and FGDs
18	Section 5-A hearing of DPs objections related to land and decision by LAC.	District Revenue Officials, Land Acquisition Collector, Local Patwari and field land staff NHA's LAR staff LARP consultants LAR management consultants Representative of EALS	Individual meetings and FGDs
19	Issuance of Section 9 regarding DPs claims on the land Consultation on rates or any other issues may be repeated until consensus on rates is reached or a judicious compensation package in consideration of all conditions contained in provisions of Section 23 of LAA 1894. NHA and relevant government departments and DPs to continue to participate. Consultations to be documented fully.	District Revenue Officials, Land Acquisition Collector, Local Patwari and field land staff NHA's LAR staff LARP consultants LAR management consultants Representative of EALS	Individual meetings and FGDs
20	Section 11 enquiries and award announcement of BOR approved rates for land and assets should meet the SPS requirement of replacement costs. Valuation of lost assets be assessed through qualified and experienced experts.	Land Acquisition Collector, Local Patwari and field land staff NHA's LAR staff LARP consultants LAR management consultants Representative of EALS	Individual meetings and FGDs
21	Findings of NHA's LAR consultants' inventory of losses/census/SES, compensation entitlements and options for relocation and resettlement/rehabilitation strategy	Land Acquisition Collector, Local Patwari and field land staff NHA's LAR staff LARP consultants LAR management consultants Representative of EALS	Individual meetings and FGDs
22	Consultation meeting on (draft) final LARP and its disclose. Explanation and discussion of DPs' rights and obligations, institutional arrangements, procedures, GRM, eligibility criteria and entitlements, CR) strategy; agreements between the PIU and the DPs; election of DP representatives for DP Committee; other issues	DPs, NHA LAR staff , LAR management consultants Relevant officials of D.R , representatives of EALS, CSO and NGO	Formal meetings/FGDs
23	Disclose to DPs, in Urdu, summary of approved LARP with essential information including detailed asset valuations, entitlements and special provisions, compensation rates at market value, constitution of	Land Acquisition Collector, Local Patwari and field land staff NHA's LAR staff	Formal meetings/FGDs

No.	CPID activities and Issues to address	Participants	Communication method
	grievance redress committees with focal persons contact numbers and procedures for recording and resolution of grievances, establishment and functions of Displaced Persons Committees, Procedure, plan and timing of payments and displacement schedule of DPs to vacate.	LARP consultants LAR management consultants Representative of EALS	
24	Information sharing with DPs throughout LARP implementation	Land Acquisition Collector, Local Patwari and field land staff NHA's LAR staff LARP consultants LAR management consultants Representative of EALS	Formal meetings/FGDs

H. INSTITUTIONAL ARRANGEMENTS FOR CRRP AND LAR FUNCTION

102. The roles and responsibilities for the planning, implementation and supervision of the compensation/resettlement/rehabilitation program (CRRP) and LAR functions, described in this updated LARF involve a number of institutional actors (Fig 1 and 2), which are defined below:

a. National Highway Authority (NHA)

103. The NHA has overall responsibility for CRRP and LAR functions of NTCHIP projects under the MFF including preparation, implementation, financing and supervision of all LAR tasks and cross-agency coordination. NHA will exercise its functions through the Project Management Unit (PMU) with general project execution responsibility and through the Project Implementation Units (PIU) to be tasked with daily LARP implementation activities at subproject level.

104. At headquarters level, NHA has established a unit called Environment Afforestation Land and Social (EALS), the capacity of which will be strengthened by engaging loan sponsored LAR Management Consultants (LARMC); preferably a local/domestic firm with expertise in social safeguards-LAR planning, implementation and supervision. The LARMC will be based at PMU/EALS as well as PIU. At PIU, the LARMC will directly report to GM/PD E35 and will assist NHA (GM/PD E35 and his team) in LARP implementation and internal monitoring, while at PMU level, the LARMC will report to GM EALS and ADB on LARP implementation and monitoring.

105. Keeping in view of the lack of consultants, well conversant with ADB's IR safeguards and compliance requirements as in SPS 2009, direct hiring of individual consultants from the market will not be possible due to capacity constraints. NHA agrees that this will be done through LARMC responsible to provide experts with hands on experience in LARP preparation, implementation and monitoring. This will include Resettlement Specialists, Gender Specialist, Grievance Redress Specialists, M&E/MIS Specialists both at PMU and PIU.

b. Project Consultants

b.1 Land Acquisition and Resettlement Management Consultants (LARMC)

106. NHA agrees to engage LARMC through advance hiring through loan funds for E-35 and M-4 Section + Interchanges. The LARMC will be responsible for providing expert support to EALS and PIUs in the field. The teams will be responsible for (i) providing capacity development to EALS and PIUs, (ii) review and update LARF, and LARPs, (iii) assist in implementation and internal monitoring of LARPs implementation, payment of compensation and allowances to the DPs in particular, (iv) assist in establishing and smooth functioning of an efficient grievance redress mechanism, (v) maintain safeguards database and a management information system (MIS), (vi) prepare internal monitoring reports, (vii) disclose project/LAR related information to DPs and undertake consultations with DPs, (viii) overall quality control and preparation of tools and techniques including templates and formats for LARF and LARP and any other safeguards document.

107. The LARMC will also be responsible for providing support to NHA/EALS and PIUs in review, preparation, implementation and monitoring of LARPs (E35 package II and M4 section 1 Interchanges) and other safeguard documents including preparation of progress and internal monitoring reports on ADB financed projects. Staff will be required to move within the two PIUs as and when required in consultation with Pakistan Resident Mission at Islamabad.

b.II Specific roles and responsibilities

108. **At PMU/EALS level:** some specific tasks of LARMC at PMU/EALS level will include the following:

- i. Maintain oversight and quality control over all aspects of LARP preparation and implementation;
- ii. Accompany the LARP preparation consultants during their field visits and consultations with DPs. This is to ensure consistency of approach and message to DPs, to avoid variation in information obtained and given, and to address issues immediately as they arise on site;
- iii. Ensure that the LARP preparation consultants must include all the DPs along with the details of their property held e.g. land, structures, trees, crops, shops, etc. Preparation of LARPs shall be strictly by the LARF mutually prepared by NHA and ADB;
- iv. Coordinate in land acquisition process and resettlement planning activities for the Project and facilitate information dissemination and consultation with DPs on all matters affecting DPs to ensure compliance with the requirements of the LARF, ADB's Social Safeguard Policies and Land Acquisition Act 1894. This will include coordination with other NHA Departments, District offices (Revenue Department, Forest Department, Agriculture Department, LARP preparation consultants and DPs as they relate to the Project;
- v. Ensure that land acquisition activity after publication of Section 4 is followed by updating land records and land price assessment reflective to current market rates. In coordination with the provincial governments, PMU, PIU and EALS participate in meetings for Land Price Assessment Committees and ensure that "replacement costs" are recommended for compensation;
- vi. Ensure timely disclosure to all DPs project design alignment, land acquisition notifications issued by the LAC under the LAA in accessible places and in format and language easily understood by DPs, and facilitate meaningful consultation with all DPs on the information disclosed by the LAC/Revenue Department;
- vii. Publish details of the designated office from where all information regarding alignment, design, road maps, *naqshaparcha* (revenue maps) of land, information on price assessment and unit rates about assets lost can be acquired, with name of the focal person to contact;
- viii. Internally review the LARPs, coordinate with ADB in review and approval of LARPs and ensure timely disclosure of approved LARPs on NHA Website and translation of Summary LARPs in local language for disclosure to DPs;
- ix. Review the LARPs submitted by the consultants to ensure that these are in compliance to the LARF before submission to ADB;
- x. Coordinate with ADB in review and approval process and respond to the comments/queries and provide clarifications in a responsive manner for early and timely approval of LARPs ; and
- xi. Ensure the disclosure of approved LARP on NHA website and translation of summary LARPs in local language for its disclosure to DPs.

109. **At PIU level:** Some specific tasks of LARMC at PIU will include the following:

- i. Update approved draft LARP (as and when required);
- ii. Prepare monthly, quarterly and annual reports on LAR implementation for furnishing to PMU at EALS LAR Cell;

- iii. Update census of DPs linked with project impacts by type, category and severance and prepare compensation packages for each DP on the basis of agreed unit rates and provided entitlements criterion;
- iv. Organize and conduct and record meaningful consultations with DPs.
- v. Disclose project/LAR related information to DPs;
- vi. Facilitate LAC throughout the land acquisition process including field surveys, land demarcation/measurement survey (LDS), inquiries, complaints of DPs on land related matters, document land acquisition process in an efficient manner. This includes coordination with other NHA Departments, District offices (Revenue Department, Forestry Department, and Agriculture Department for asset evaluation as per agreed provision under approved LARF and DPs for consultation;
- vii. Staff of PIU LARU shall participate in meetings of District Price Assessment Committee (DPAC);
- viii. Update LARF/LARPs as and when required.

110. Tasks in LARP implementation and monitoring: Some specific tasks under LARP implementation and monitoring will include the following:

- i. Verify the DPs data, prepare, issue and distribute identity cards for each non-titleholder DPs category;
- ii. Translate summary approved LARP in local language with all necessary information for DPs and ensure its disclosure through formal and informal manner in close coordination of revenue, PIU and other in line departments; and document this process to avoid and reply to future complaints in this respect;
- iii. Place posters containing information regarding, asset valuation, unit rates, time and schedule of payments etc in the easily accessible places in the villages from where land has been acquired such as Patwari offices, Union Councils offices and other Government buildings;
- iv. Announce the same information from village mosques. Place posters containing information regarding, asset valuation, unit rates, time and schedule of payments etc in the easily accessible places in the villages from where land has been acquired such as Patwari offices, Union Councils offices and other Government buildings
- v. Send letters containing relevant LAR information to the *Consulars* and *Numberdar* (village heads);
- vi. Submit copies of documentation of disclosure to GM(Project), PD PIU and EALS ADB dedicated Cell at HQ for onward sharing with ADB;
- vii. Ensure that all field visits and consultations with the DPs are properly documented, photographed and recorded on video; such record shall be placed in the PIU office.
- viii. Facilitate and support the LAC and Project Director throughout compensation disbursement process by extending its support in office and field during preparation of claims and issuance of compensation vouchers and cheques, This include coordination with DPs, NHA and district land revenue authorities involved in disbursement of compensation;
- ix. Mobilize and facilitate the DPs to process their compensation claims and receive compensation;
- x. Support GM project/PD PIU to establish multi tiered grievance redress mechanism at village level, district level, project level and support the PIU and DPs in recording, processing/investigation and disposal of complaints;

- xi. Develop database management system to be used for internal and external monitoring of the LARP implementation and evaluation of degree of achievement of the objective set forth in LARP;
- xii. Provide assistance and access to database and coordinate with External/Independent monitor to facilitate him to monitor and evaluate the project;
- xiii. Establish at least one information center in each district falling within the Project area and assign staff responsible for receiving, registering and processing complaints. Establish a Complaints Register in each information center;
- xiv. Publish details of the designated office from where all information regarding alignment, design, road maps, *naqshaparcha* (revenue maps) of land to be acquired, price assessment and information regarding complaints status / redress can be obtained by the DPs, with name of the focal person to contact. Mobile phone numbers of all personnel of this unit must be mentioned for the convenience of DPs.

c. District Governments

111. District-based agencies have jurisdiction over land acquisition and compensation activities. Land acquisition functions rest with Provincial Boards of Revenue represented at District level by the District Officer Revenue (DOR)/Land Acquisition Collector (LAC). Other staff members of the Revenue Department, most notably Quano and Patwari, carry out specific roles such as titles identification and verification of the ownership (Figure-I). Functions pertaining to compensation of non-land assets rest on Provincial line-agencies and their District level offices. Buildings compensation pertains to the buildings and works department crops and productive trees compensation pertains to the Department of Agriculture; and the compensation for wood trees losses pertains to the Department of Forestry.

d. Ministry of Finance

112. The Ministry of Finance is responsible for the timely provision of financial resources to NHA for the implementation of LARPs.

e. External Monitoring Agency (EMA)

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

f. Displaced Persons Consultation Committee and Representatives

114. The DPs in each subproject will be encouraged and mobilized by NHA's LAR staff and consultants to elect DP representatives and form a Displaced Persons Consultation Committees (DPCC). DP representation facilitates communication and information flow among DPs and with other stakeholders. DP representatives will keep close liaison with Grievance Redress Committees (GRC) formed by NHA at project and field levels. In larger subprojects with a relatively high number of DPs, DPCCs with several representatives from various subsections of the LAR impact areas, representing different types of affectedness (partially lost land, relocates, temporarily displaced, and the like) and from different social and ethnic groups as applicable, as well as from among men and women, will be formed. The DPCC will meet monthly and on demand from members, due to LAR planning and implementation issues. The DPCC members may elect from among themselves a representative to the GRC or hold elections in a meeting of

all subproject DPs. In subprojects with a very small number of DPs, one or two GRM representatives may be elected at one of the first consultation meetings.

g. Civil Society Organizations

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

h. Civil Works Contractors

116. The civil works contractors selected for subprojects will be tasked with managing temporary displacement at sites used for construction purposes, including making arrangements with DPs, payment of compensation and restoration of affected land to its original state. Contractors are obliged to commence civil works only at sites where subproject LARPs have been fully implemented and confirmed as such by EMA, The contractors' supervisory staff will participate in LAR capacity building provided by the LAR consultants of the project/facility. These requirements will be included in the works contracts and loan covenants.

i. Grievance Redress Mechanism

117. A project wide Grievance Redress Mechanism (GRM) will be set up for all subprojects under NTCHIP to address grievances arising from social and environmental impacts. The GRM will have a two-tiered structure at the subproject level and another third tier at the executing agency level, enabling immediate local responses to grievances and higher-level review addressing more difficult cases not resolved at the local level. Chapter 9 on grievance redress will detail the requisite provisions and arrangements.

j. Asian Development Bank (ADB)

118. ADB reviews all LARPs under NTCHIP and confirms their responsiveness to ADB's safeguards requirements. In cases where these do not meet ADB's requirements, additional assessment and improvement of the LARPs will be undertaken. ADB will also conduct periodic social safeguards reviews, to verify that LAR planning and implementation is carried out as agreed in this LARF and the LARPs.

K. Institutional Capacity Development

k.I Capacity assessment

119. The LAR specialists of LARMC will carry out an assessment of the adequacy and effectiveness of the capacity of NHA to carry out respective LAR tasks among the institutional actors involved with NTCHIP and its subprojects. Using interviews, documents study, project assessments and observation of ongoing LAR relevant interactions, the consultants will assess (i) the sufficiency of structures and personnel dealing with LAR related tasks; (ii) the level of practical experience with LAR related tasks; (iii) the proficiency of understanding of laws, rules and procedures for LAR related tasks and the social safeguards requirements of ADB; and the level of functionality of the procedures and practices of these LAR officers and units. A report on the findings will be submitted to NHA and ADB with recommendations for capacity building measures.

k.II LAR training

120. The LAR management consultants will agree with NHA on a LAR capacity building action plan, detailing a training program, including a training concept covering all LAR related tasks, workshop presentations to various target groups, workshop and field exercises for the trainees, as well as a handbook and brochures for LAR planning and implementation in the project/facility. The modules of the training program will be tailored to the needs of different target groups in NHA PMU & PIU), DOR and LARP consultants. If found necessary, the NHA will be consulted and will agree to effect changes in the institutional and organizational setup and staff for LAR activities in the subprojects to increase their effectiveness. Internal and external monitoring will include an ongoing assessment of the institutional arrangements for LAR and potential gaps and bottlenecks will be addressed through adjustments and corrective actions.

k.III Capacity Building Technical Assistance (TA 8309)

121. Given the need for improving LAR capacity in NHA, and concerned government agencies with the safeguard requirements of the ADB SPS, ADB has agreed to provide financial and capacity building support through a Capacity Development Technical Assistance (CDTA) on Enhanced Safeguards Management in NHA. The Social safeguards experts hired under the TA will work closely with NHA to improve NHA's capacity in better management LAR requirements.

I. Coordination Initiatives

122. The agencies and officers/officials identified above will work in close coordination to obtain effective, smooth and timely DP compensation and LARP implementation. To this purpose an LAC will be directly assigned to the PIU by the Board of Revenue. LAR Project Steering Committee (LARPSC) will also be established by NHA under the chairmanship of Members Planning or Operations' or both and with members from NHA, BOR and ADB as follows:

m. LAR Steering Committee (SC)

123. A LAR Project Steering/Coordination Committee (LARPSC) for NTCHIP projects (Fig 1) will be established to ensure effective coordination between all national level institutional actors involved, as well as overall policy guidance and resolution of problems. The SC will also address relevant LAR issues, especially at the policy level for the project/facility, as required. The SC will be chaired by either by Member Planning or Operation or both, comprised of representatives GMs EALS, E35 and M4 projects, BOR and designated LACs, LARMC and Project consultants hired for LARP preparation.

124. The LARPSC will meet on quarterly basis; it will ensure through that all stakeholders involved in LAR are: (i) fully informed of this LARF, ADB's requirement of compensation at replacement cost and other key compliance requirements, (ii) fully informed about the status of LARP preparation and implementation, and present status of land acquisition and compensation disbursement. The LSC will issue instructions to PIUs LAR staff including LAC and LARMC on all matters related to land acquisition, and issue specific instruction to avoid and/or make the delays (if any) in land acquisition

LAR Project Steering/Coordination Committee (LARPSC) for E-35

PMU level:

Member Planning	Chairman
GMs, EALS/E35/M4 section 1	Member/Secretary
Representative of LARMC	Member
LARP consultants	Member

Project based

PD	Chairman
AD/DD LM&IS	Secretary
District Officer revenue/LAC	Member
Resettlement Specialist LARMC	Member
Resettlement Specialist ADB/PRM	Member

Figure 3: LAR Project Steering and Coordination Committee Flow Chart

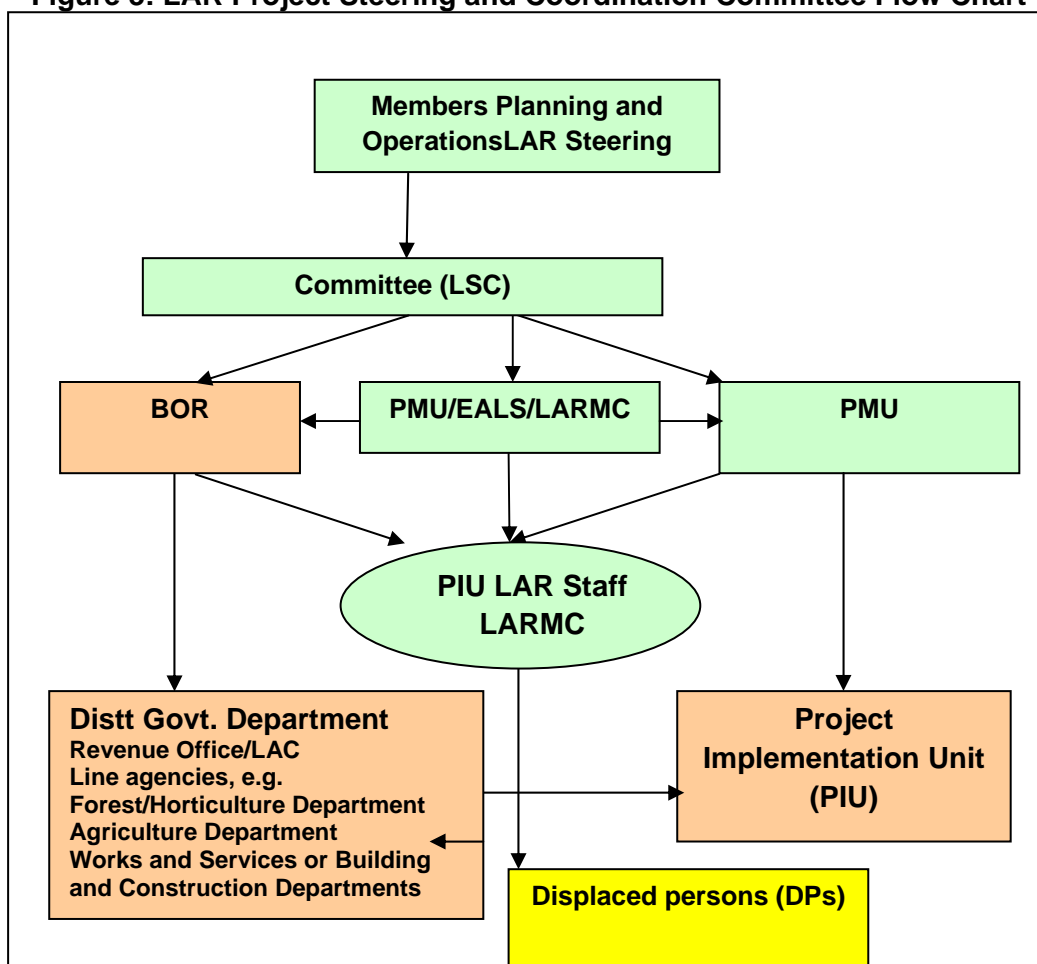
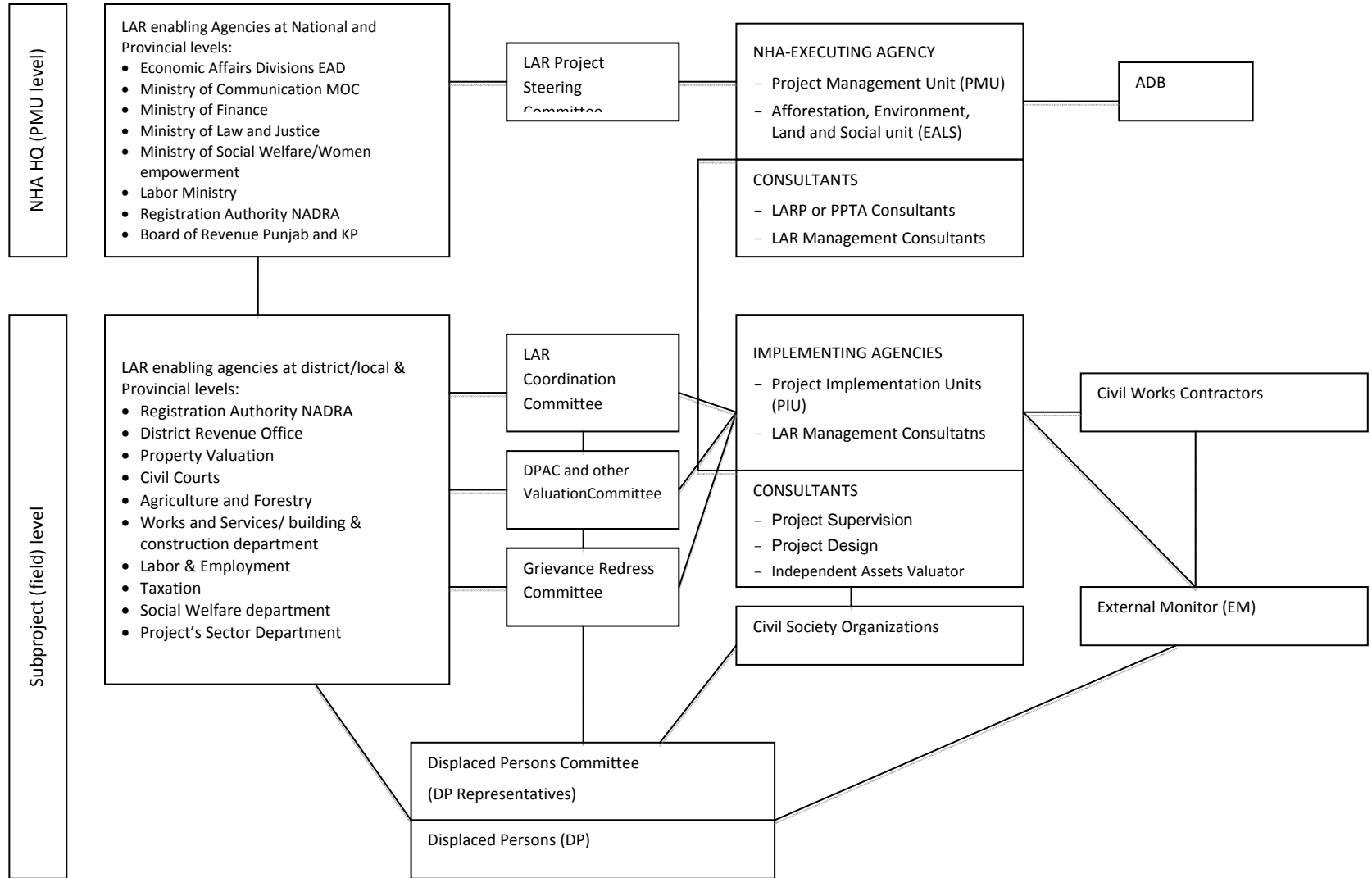


Figure 4: NHA's Institutional Setup for Land Acquisition and Resettlement



I. GRIEVANCE REDRESS MECHANISM (GRM)

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

126. In order to prevent grievances arising from the subproject NHA will seek to prepare and implement LARPs in accordance with this updated LARF and to identify and resolve potentially grievous issues and problems through a strong consultation, participation and information disclosure strategy. Nevertheless, it may be expected that some problems cannot be resolved through CPID actions and therefore DPs require an accessible and effective GRM. Each subproject will put in place its GRM structures from the beginning of its implementation, i.e. as soon as activities for detailed project design and preparation or finalization of LARPs commence.

127. Problems to be addressed by a GRM during the planning for or implementation of subproject LARPs are complaints about (i) the location of the project alignment and requests to avoid specific affected assets, (ii) the omission of some DPs in a census, (iii) the identification, measurement and valuation of losses, (iv) the assessment and disbursement of compensation relative to entitlements stipulated in a LARP, (v) disputes about ownership of affected assets, (vi) delays in compensation payments, relocation activities or livelihood restoration measures, (vii) design and completion of relocation sites and facilities, or (viii) the adequacy and appropriateness of income restoration measures, among others. The GRM in this updated LARF is tasked to address any grievances arising from LAR from any DP. Special care will be taken to make the GRM accessible to vulnerable persons, including the poor, elderly, handicapped, female heads of households, as well as women and members of ethnic minorities in general. Each LARP will indicate specific mechanisms to ensure accessibility for specific groups of DPs.

128. The GRM will be set up with a two-tiered structure; one at NHA (PMU) level and another at PIU (field) level enabling immediate local responses to grievances and higher-level review addressing more difficult cases not resolved at the PIU or local level. To ensure that all geographic reaches and relevant administrative units involved in the project are covered, the GRM will set up (i) a local mechanism in each affected village with grievance redress focal points; (ii) a grievance redress committee (GRC) at PIU and PMU levels, as applicable and useful. Table 9 provides an overview of the structure and functioning of a typical GRM.

129. In accordance with the above GRM mechanism, adequate grievance mechanism will be available for DPs having grievances regarding any decision, practice or activity arising from land or asset assessment, acquisition, compensation, resettlement or rehabilitation or related issues. DPs will be fully informed of their rights under the statutes i.e. Land Acquisition Act 1894, and ADB Policy on Involuntary Resettlement and of the procedures for addressing complaints whether verbally or in writing during disclosure of LAA notifications and other LAR information including summary of draft LARPs, consultations throughout LARP preparation and implementation, surveys, and at the time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be done through careful LAR design and implementation, by ensuring full participation and consultation with the DPs, and by

establishing extensive communication and coordination between the community, the PIU, the LAC and local governments in general. For this purpose, the PIU based LARMC will ensure timely establishment of multi tiered grievance redress system from village level to Project level. The LARMC will engage services of a Grievance redress specialist who shall develop a grievance redress mechanism and support NHA to establish grievance redress committee. The grievance redress cell will include social mobilizers, numbers to be determined as per requirement to work closely and regularly with each village and make every effort to address DPs' concerns at the village level.

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

131. For complaints related to environment issue the PIU will refer these to Supervision Consultant to resolve. The complaints & grievances will be addressed through the process as described in Table 7 below.

Table 7: Grievance Resolution Process

Steps in the Grievance Resolution Process
Each village will be assigned a social mobilizer to maintain regular contact with the DPCs and to be the first line of contact on issues related to LAR.
The social mobilizers will facilitate formation of a resettlement committee in each village.
Any complaints in the village will be recorded by the social mobilizer, investigated by the social mobilizer, and if possible resolved in the village, with the assistance of the PIU within 7 days.
Any complaint which cannot be resolved in the village will be forwarded by the social mobilizer directly by the complainant or village head to the Grievance committee at PIU level. The grievance cell at PIU will designate a staff member to receive complaints, register them in the complaints register and process them within the PIU. The PIU Grievance committee hear the aggrieved DP and will seek information from others such as NHA or LAC to resolve the case if possible. The PIU grievance committee will take decision on the complaint within 7 days of the receipt of complaint at PIU. Any solution or decision must comply with the LARP.
Any complaint that cannot be resolved satisfactorily in the PIU will be forwarded to the District level Grievance Redress Committee, chaired by the project director, and with members from Revenue Department, Department of Forestry, Agriculture, Team Leader of LARMC at PIU level, Head at PIU and representatives from the village from which the complaint originates. The GRC will take decision on the complaint within 21 days. Any solution or decision must comply with the updated LARF.
If the Grievance Redress Committee is unable to resolve the issue, it will be present before LARPSC for decision within 15 days and the DP can also opt to go in arbitration.
Should the grievance redress system or arbitration fail to satisfy the DP, DP can submit the case to the appropriate court of law as per the process set out in Sections 18 to 22 of the LAA (1894). However, where law permits, the DPs can access to the courts of law without involving the GRM.
Throughout the grievance redress process, ensure that special attention is given to receiving and addressing the concerns of women and other vulnerable groups.

M. MONITORING, EVALUATION AND REPORTING ARRANGEMENTS

132. The LAR tasks will be monitored internally and externally. The EA-NHA will carry out internal monitoring (IM) of LARP through LARMC at PIU and PMU level. The external monitoring will be assigned to an Independent External Monitoring Agency (EMA), hired by EA-NHA with ADB's concurrence for all subprojects requiring monitoring of LARP implementation. The EMA terms of reference shall be prepared in coordination with ADB and NHA shall recruit an EMA for the Program/subproject. The EMA will be mobilized prior to LARP implementation. The extent of monitoring activities, including their scope and timing, will be commensurate with the projects risks and impacts. The LARMC is required to carry out the safeguard measures and implement relevant plans as provided in the legal agreements. Internal Monitoring Reports will need to be prepared monthly, quarterly and annually, for all projects mentioned in the LARF.

133. The monitoring of the LAR tasks aim to:

- i. Establish and maintain procedures to monitor the progress of the implementation of safeguard plans.
- ii. Verify their compliance with safeguard measures and their progress toward intended outcomes.
- iii. Document and disclose monitoring results and identify necessary corrective and preventive actions in the periodic monitoring reports,
- iv. Follow up on these actions to ensure progress toward the desired outcomes,
- v. Retain qualified and experienced external experts or qualified NGOs to verify monitoring information for projects with significant impacts and risks,
- vi. Submit periodic monitoring reports (monthly, quarterly and annually) on safeguard measures as agreed with the ADB..

a. Internal Monitoring

134. Internal monitoring (IM) will be carried out by the LARMC at PIU. IM indicators will relate to process, outputs and results, information will be collected directly from the field, and will be reported monthly to the PMU to assess the LARP implementation progress and adjust the work plan if necessary. Specific IM benchmarks will be based on the approved LARP and cover the following: :

- i. Information campaign and consultation with DPs;
- ii. Status of land acquisition and payments on land compensation;
- iii. Compensation for affected structures and other assets;
- iv. Relocation of DPs;
- v. Payments for loss of income;
- vi. Selection and distribution of replacement land areas;
- vii. Income restoration activities; and
- viii. Ensure the gender mitigation measures in the LARP are adhered to during the internal monitoring and reporting process.

135. The above gender disaggregated information will be collected by the PIU which will monitor the day-to-day resettlement activities of the project through the following instruments:

- i. Review of project information for all DPs;
- ii. Consultation and informal interviews with DPs;

- iii. Key informant interviews; and,
- iv. Community public meetings.

b. External Monitoring

136. An Independent External Monitoring Agency or an individual with team (EMA) will carry out external monitoring of LARP and results of monitoring reported to NHA and ADB by quarterly/semi-annual and annual reports. Indicators for EM tasks include:

- i. Review and verify internal monitoring reports prepared by PIU SIUs;
- ii. Review of the socio-economic and census and inventory of losses baseline information of pre-displaced persons; update the baseline data if required;
- iii. Identification and selection of impact indicators;
- iv. Impact assessment through formal and informal surveys with the affected persons;
- v. Consult DPs, officials, community leaders for preparing review report;
- vi. Assess the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning;
- vii. Ensure the gender mitigation measures in LARPs are adhered to during monitoring.

137. The external monitor will also assess the reporting of affected vulnerable groups such as female-headed households, disabled/elderly, the landless and families below the poverty line. The following will be considered as the basis for indicators in monitoring and evaluation of the project:

- i. Socio-economic conditions of the DPs in the post-resettlement period;
- ii. Communications and reactions from DPs on entitlements, compensation, options, alternative developments and relocation timetables etc;
- iii. Changes in housing and income levels;
- iv. Rehabilitation of squatters, severely affected people, and different vulnerable groups;
- v. Valuation of property;
- vi. Ability to replace lost assets;
- vii. Disbursement of compensation and other entitlements;
- viii. Level of satisfaction of DPs in the post resettlement period;
- ix. Quality and frequency of consultation and disclosure; and
- x. Grievance procedures.

138. Based on the external monitor's report, if significant issues are identified, a corrective action plan (CAP) to take corrective action will be prepared, reviewed and approved by ADB and disclosed to affected persons. Internal and external monitoring and reporting will continue until all LAR activities have been completed.

N. LAND ACQUISITION AND RESETTLEMENT BUDGET AND FINANCING

139. The full cost of LAR implementation, including the cost of compensation, relocation and rehabilitation, as well as of administration, monitoring and contingency, is an integral part of the project cost. Each subproject LARP will present a budget for the cost of implementation of the LARP. In addition, each LARP will include and observe the arrangements for financing and disbursement stipulated in this LARF.

a. Budget

140. The budgets for each subproject LARP will be presented in table form and include all the costs of compensation, relocation and income restoration measures including 10% contingency kept to address the changes the LARP may require. The budgets itemize costs by types of losses and entitlements, following the structure of the entitlement matrix and the CRR strategy. The budget aggregates for each type of loss the costs of all displaced persons, households or entities identified in the LAR impact assessment. The budget headings include the types of units, unit rates, number of units and total cost for each asset type lost. Final costs per item are presented in both, local currency and US Dollars. A summary budget will finally provide an overview of total costs for the key types of losses, including land, structures, relocation, incomes and other allowances. The summary budget also lists the costs for grievance redress, LAR administration, external monitoring and contingencies. The budgets may be revised periodically, if indicated by the experiences of the LAR process and changes in prevailing values of assets.

b. Financing of LARP implementation and flow of funds

141. The Government of Pakistan will finance the total cost of LAR under NTCHIP projects from counterpart funds. NHA will be responsible for the timely availability of 100 percent of the funds for LAR under any subproject of NTCHIP for disbursement to the DPs. The Government of Pakistan through NHA will ensure that the total funds for LAR under each subproject, including compensation at replacement cost, allowances, transaction costs, cost of external monitoring and contingencies, are made available in a timely fashion. The Ministry of Finance will allocate sufficient funds to NHA and release these at the time of finalization and approval of each subproject LARP. NHA will transfer the funds for all LAR costs of a subproject to the district treasury department for land and assets and PIU account for LAR allowances. Any allowances and other payments not covered under applicable LAR procedures in Pakistan can be disbursed directly through the PIUs. Funding for these items will be transferred by NHA directly to the PIUs.

c. Disbursement

142. The land acquisition collector (LAC) and PIU will notify the DPs about the time and place for disbursement of compensation and allowances and finalization of all other relocation and income restoration measures. Disbursement will take place, after due notification of time and place 1 month in advance of the event, at a public location, such as local government offices or community centers and the like. With support from the PIU and LARMC consultants of the Project, and, in the case of subprojects/tranches with significant LAR impacts, in the presence of an external monitoring agency (EMA), PIU/LAC will disburse the agreed/stipulated amounts of cash compensation and allowances to the displaced persons under each subproject before their displacement. The DPs will receive cross checks or compensation vouchers, which may be cashed or deposited at district treasury or any designated local bank. If banking in the vicinity of

the subproject impact area proves difficult, cash payment or provision of mobile banking services will be considered. The transfer of titles to replacement land, housing and other facilities will take place at the same time. If relocation sites are provided, all necessary arrangements and financial transactions are clarified and finalized with the DPs. Income restoration measures such as jobs training and placement, as well as receipt of all other entitlements will be addressed and finalized as well. The EMA will have access to all pertinent records and will be enabled to discuss the disbursement amounts and process with the DPs, involved government agencies and the PIU. Physical and economic displacement of DPs will not be carried out until the DPs have been provided with full compensation and other entitlements and a comprehensive income and livelihood restoration program has been established in accordance with the LARP.

143. In cases of disputes or if a DP is absent and cannot be located, the full amount of compensation will be deposited in an escrow account and pledged in the name of the DP. Disbursement in cases of dispute will be delayed until these are resolved by the GRM or by the courts. In cases of absent DPs every effort will be made within a 6 months period from the date of government approval of the RP to locate the persons concerned. Notifications will be affixed to the properties affected, and deposited with neighbors and relatives, if any. In such cases, the project may possess the land before the payment of compensation, but will hold all demolition and construction works at the property site until the final settlement of a disputed case or the expiration of the 6 months waiting period to locate absent DPs.

144. In accordance with above LAR financing and disbursement arrangements, all LAR preparation/implementation costs, including compensation and all other entitlements, and administration costs, will be considered an integral part of Project budgets. The LARPs will include sections detailing (i) all affected items/allowances compensation rates, (ii) relative valuation methodology so that compensation for all assets will be at current market value in the year of compensation, sufficient to replace the lost assets, and (iii) a budget for all expenses including compensation, administration costs and contingencies.

145. All costs of land acquisition, compensation, resettlement, rehabilitation and monitoring may be allocated under the loan.

146. In order to ensure that sufficient funds are available for LAR tasks, NHA will have to allocate 100% of the cost of compensation at replacement cost and expected allowances estimated in each LARP plus LARP implementation costs (administrative) and contingencies before LARP implementation.

147. As the NHA is responsible for timely allocating the funds to implement the LARPs. Allocations will be reviewed bi-annually based on budget requirements indicated in the LARPs.

148. The budget for land, crop and structures (the compensations included in award) compensation will be deposited by NHA in the District Treasury under Head/Account "Revenue Deposits" through the District Collector (Revenue and Estate) Office. The compensation claim with a statement of record of rights (Jamanbandi) issued and verified by the local revenue authorities, will be submitted to the LAC by the DPs, who after receipt of claim will verify ownership title, land acquired and claimed amount with respect to all assets including land with support from the land and revenue staff. After verification the LAC shall issue payment

voucher in the name of DPs which will be credited in DPs account from revenue deposits in District Treasury by District Accounts Officer.

149. For what concerns compensation funds for other items (not included in award) such as resettlement assistance and other entitled compensation allowances will go from NHA to the PIU's project account under resettlement compensation's head or a separate account opened for this purpose at PIU level. The project director or whosoever is authorized shall constitute a compensation disbursement committee (CDC) to prepare, verify and process the claim before issuance of cheque in the name of DP. The CDC will consist of Project Director (chairman), Resettlement Specialist, Land Management Expert and Accountant as its members. The CDC will receive the claim and process it following provisions in the approved LARP. The CDC will carry out the functions like, i) determination of DP's eligibility, ii) entitled compensations iii) preparation and verification of claim sheet covering all compensations entitled to DP as per provisions of the LARP, and processing of compensation claim for issuance of cheque in the name of the DPs. After issuance of cheque by the PD or other authorized officer/person the CDC shall ensure disbursement of compensation cheque to the entitled DPs on specified date and venue. The CDC shall retain and manage a proper record of compensation disbursement during execution of the project.

AN OUTLINE OF A RESETTLEMENT PLAN

A resettlement plan is required for all projects with involuntary resettlement impacts. Its level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the resettlement plans, although not necessarily in the order shown.

A. Executive Summary

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

B. Project Description

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

This section:

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

D. Socioeconomic Information and Profile

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

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

E. Information Disclosure, Consultation, and Participation

This section:

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

F. Grievance Redress Mechanisms

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

G. Legal Framework

This section:

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

H. Entitlements, Assistance and Benefits

This section:

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

I. Relocation of Housing and Settlements

This section:

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

J. Income Restoration and Rehabilitation

This section:

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

K. Resettlement Budget and Financing Plan

This section:

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

L. Institutional Arrangements

This section:

- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;

- (ii) includes institutional capacity building program, including technical assistance, if required;
- (iii) describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- (iv) describes how women's groups will be involved in resettlement planning and management,

M. Implementation Schedule

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

N. Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

LAR Tasks Process

No.	LAR Tasks	Responsibility
A: Program Preparation		
1	Proposal to Revenue Department with brief description of subproject including LAR	NHA
2	Nominal funds transfer to BOR	
3	Publication of notice expressing intent to acquire land for the project under Section 4 of the LAA	Revenue Department
4	Feasibility study completed for the project	NHA/Consultant
5	Detailed design completed for the project	NHA/Consultant
B: PFR Preparation-Safeguards Documentation		
6	Prepare impact survey/census/socioeconomic survey forms, train impact assessment and valuation teams, and establish coordination with relevant local government agencies.	PMU/EALS ADB LAR Cell/ Consultants
7	Updating of revenue records <ul style="list-style-type: none"> • Land Use • Ownership • Cadastral Maps Update 	Revenue Dept and NHA (EALS) land staff.
8	Inventory of losses, census, socioeconomic survey, social/gender analysis	PMU/PIU / Consultants
9	Land valuation <ul style="list-style-type: none"> • DPAC recommended rates prepared in consultation with DPs • DPAC recommended rates disclosed to DPs 	Revenue Dept. PMU/EALS/ ADB LAR Cell
10	Non-land asset valuation <ul style="list-style-type: none"> • Land • Crops • Fruit trees • Wood trees 	Revenue Dept. assisted by NHA (structures), and Dept. of Forestry and Agriculture
11	Budget deposited with Project Director for LAR	NHA
12	Publication of Section 5	Revenue Dept.
13	Section 5A issued	Revenue Dept.
14	PIU social mobilizers to facilitate disclosure to DPs of survey / census findings and DPAC recommended rates for land and non-land assets	PMU/ADB LAR Cell/PIU /Consultants
15	Conduct public consultations on the survey findings and recommended rates and compensation/resettlement/rehabilitation options	PMU/ADB LAR Cell/PIU / Consultants
16	Integrate impacts baseline and results of consultations into the LARP	PMU/ ADB LAR Cell/PIU / Consultants
17	Section 6 notification	Revenue Dept
18	Section 9 & 10 Notices and inquiry	Revenue Dept
19	Section 11 announcement of Award	Revenue Dept
20	BOR approval of compensation rates	Revenue Dept
21	Finalize LARP with BOR rates	PMU/ ADB LAR Cell/PIU / Consultants
22	Disclose draft LARP to DPs	PMU/ ADB LAR Cell/SSMC at PIU
23	LARP submitted to ADB for review and approval	NHA
24	PFR approval	ADB / GOP

C: Implementation Arrangements/Capacity		
25	Establishment of LAR steering committee	NHA
26	Establishment of fully functioning SSMC support in PIU and EALS	NHA
27	Setting up grievance redress committee and appeals management	NHA
28	Setting up of village resettlement committees	PIU/ SSMC
30	Establishment of GRC in each district (representation of PIU, DPs, Construction Supervision Consultants, Revenue Department)	PMU/PIU/SMC
31	Fully functioning GRC in each district	PMU/PIU
32	Mobilization of the EMA <ul style="list-style-type: none"> • Inception mission • Baseline survey • Quarterly monitoring 	NHA
33	Internal monitoring and reporting	PIU SSMC/ EALS ADB LAR Cell
34	Implement consultation plan Document consultations	PIU
35	Flow of funds	NHA
36	Compensation for land	PIU /LAC (SSMC support)
37	Compensation for non-land assets and losses	PIU /LAC (SSMC support)
38	Assistance to vulnerable groups	PIU (SSMC support)
39	Implement relocation plan: <ul style="list-style-type: none"> • For fully affected squatters • For fully affected other structures • For infrastructure • Repair of partially affected structures 	PIU
40	Rehabilitation and livelihood assistance (including technical training) for loss of livelihood of: <ul style="list-style-type: none"> • Vulnerable groups • Small/marginal farmers • Small businesses 	PIU (SSMC support)
D: External Monitor Confirmation of Complete and Satisfactory Implementation of LARP		EMA
41	Issue civil works contractor notice to proceed	NHA/ADB
42	Commencement of civil works	NHA
43	Contractor to appoint civil works liaison to interact and coordinate with the PIU on the interface of construction activities and the communities within the vicinity of the civil work	Contractor/PIU
44	PIU and contractor to keep communities fully informed of civil works activities	PIU/Contractor
45	PIU and contractor to respond promptly to any construction-related impacts on the assets or livelihoods of communities within the vicinity of the civil works: All impacts and losses to be identified, assessed / quantified and addressed under the LARP	PIU/Contractor

Gender Action Plan (GAP)
Hassanabdal – Hawalian LARP E-35

Objective	Activity	Indicator	Target Group	Responsibility
1. Grievance Redress Mechanism				
1.1 Address women's concerns and priorities related to Land acquisition and resettlement	1.1.1 Ensure adequate representation of women in Affected Persons Committee APCs at village level 1.1.2 Recruitment of female social mobilizers at the village level to liaison with affected women and identify their concerns 1.1.3 Include gender disaggregated data in the monitoring and evaluation system for grievance cases reported and addressed	<ul style="list-style-type: none"> • % of women representing APCs • Number of female social mobilizers hired • Number of men and women complaints reported • Number of men and women complaints addressed 	Affected women	IAs Grievance Redress Committee
2. Compensation Entitlements				
2.1 Establish gender fair compensation provision mechanism	2.1.1 Facilitate women specifically (elderly, single and women without male support) in preparation of requisites for compensation 2.1.2 Open bank accounts of women in their name and ensure transparency of transferring compensation allowance 2.1.2 Provide priority to vulnerable women/women headed families in compensation provision 2.1.3 Ensure that women are aware about the amount of compensation provisions 2.1.4 Include gender disaggregated data in the monitoring and evaluation system	<ul style="list-style-type: none"> • Number of women facilitated in the preparation of compensation documents • Number of bank accounts opened in the name of women • Number of women informed about the exact amount of compensation transferred to their bank account • Number of men and women APs compensated 	Affected women	IAs Female Social mobilizer LAC
3. Relocation and Resettlement of houses				
3.1 Ensure smooth and gender sensitive resettlement procedures	3.1.1 Give priority and facilitate vulnerable women (with no adequate support and guidance) in resettlement and relocation. 3.1.2 Ensure that women specific concerns and priorities are considered in resettlement process. 3.1.3 Inform women about the relocation assistance (all kinds of allowances) provided to the affected families.	<ul style="list-style-type: none"> • Number of vulnerable women facilitated in the resettlement and relocation process • TORs of resettlement specialist includes gender responsive roles and responsibilities • Number of women informed about the relocation allowance • Relocation and resettlement procedures include women specific concerns 	Women affectees	IAs resettlement specialist