

Resettlement Plan

September 2015

Loan 3197-PAK: National Trade Corridor Highway Investment Program-Tranche III

Prepared by National Highways Authority for the Asian Development Bank.

NOTES

- (i) The fiscal year (FY) of the Government of the Islamic Republic of Pakistan and its agencies ends on 30 June.
- (ii) In this report, "\$" refers to US dollars.

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September 2015

PAK: National Trade Corridor Highway Investment Program—Tranche 3 (Package-III: Sarai Saleh—Langra)

Prepared by National Highway Authority, Ministry of Communication, Islamic Republic of Pakistan for the Asian Development Bank (ADB). The land acquisition and resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

CURRENCY EQUIVALENTS

(as of 13 November 2013)

Currency Unit	–	Pakistan rupee/s (PRs)
PRs1.00	=	\$0.00944
\$1.00	=	PRs 105.875

ABBREVIATIONS

AD	–	Assistant Director
ADB	–	Asian Development Bank
AH	–	Affected Household
APs	–	Affected Persons
COI	–	Corridor of Impact
CBO	–	Community Based Organization
DCR	–	District Census Report
DD	–	Deputy Director
DO(R)	–	District Officer (Revenue)
DPs	–	Displaced Persons
EDO	–	Executive District Officer
EIA	–	Environmental Impact Assessment
EMP	–	Environmental Management Plan
Ft.	–	Feet
GM	–	General Manager
GOP	–	Government of Pakistan
IP	–	Indigenous People
Km.	–	Kilometers
KPK	–	Khyber Pakhtunkhwa
LAA	–	Land Acquisition Act
LAR	–	Land Acquisition and Resettlement
LARP	–	Land Acquisition and Resettlement Plan
E-35	–	Hassanabdal to Havelian Expressway (E-35)
M&E	–	Monitoring and Evaluation
NESPAK	–	National Engineering Services Pakistan (Pvt.) Ltd.
MFF	–	Multitranchefinancing Facility
NTC	–	National Trade Corridor
NGO	–	Non-Governmental Organization
NHA	–	National Highway Authority
PAPs	–	Project Affected Persons
PMU	–	Project Management Unit
ROW	–	right-of-way
R.ft.	–	Running Feet
S.ft.	–	Square Feet

SPS – Safeguard Policy Statement (ADB, 2009)

GLOSSARY

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 assets due to land acquisition and resettlement
Cut-off date	Eligibility for entitlements by a cut-off date, determined at the time of social impacts assessment (SIA) survey, census of displaced persons (DPs), inventory of losses (IOL) and socioeconomic baseline survey
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, access to assets, income sources, or means of livelihoods as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
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	Relocation, loss of residential land, or loss of shelter as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or no access to legally designed parks and protected areas.
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

TABLE OF CONTENTS

VOLUME - I MAIN REPORT

VOLUME - II ANNEXURES

NO.	DESCRIPTION	PAGE NO.
VOLUME – I		
SECTION 1	PROJECT DESCRIPTION	
1.1	PROJECT BACKGROUND	1
1.2	HassanabdalHavelian Expressway Project (E-35), Tranche 2 of NTCHIP	1
1.3	PROJECT COMPONENTS INVOLVING LAR ISSUES	5
1.4	ANALYSIS OF ALTERNATIVES	5
1.4.1	Option-1: No Project	5
1.4.2	Option-2: Dualization of Existing Carriageway	5
1.4.3	Option-3: Construction of a New Carriageway(Selected Option)	5
1.5	NEED FOR LARP	6
1.6	LAND ACQUISITION AND RESETTLEMENT CONDITION	7
SECTION 2	SCOPE OF LAND ACQUISITION AND RESETTLEMENT	
2.1	PROJECT IMPACTS	9
2.2	IMPACT ON LAND	11
2.2.1	Temporary Lease of Land for Project Works	13
2.3	IMPACT ON CROPPED AREA	13
2.4	IMPACT ON TREES	14
2.5	IMPACT ON STRUCTURES	14
2.5.1	Impact on Residential Structures	15
2.6	LOSS OF WATER RESOURCE INFRASTRUCTURES	16
2.7	IMPACT ON INDEGENOUS PEOPLE	17
2.8	IMPACT ON VULNERABLE PEOPLE	17
2.9	SUMMARY OF IMPACT	17
2.10	REQUIREMENT OF RELOCATION	19
2.11	CUT-OFF DATE	19
SECTION 3	SOCIO-ECONOMIC INFORMATION AND PROFILE	
3.1	SUMMARY OF SOCIOECONOMIC SURVEY	20
3.2	DETAILED DESCRIPTION OF SURVEY	21
3.3	INFORMATION/ DATA COLLECTION METHODOLOGY	21
3.4	IDENTIFICATION OF DPS	22
3.5	CENSUS OF DPS/ APS AND THEIR ASSETS	22
3.6	SOCIO–ECONOMIC BASELINE SURVEY	22
3.7	DESCRIPTION OF THE PROJECT AREA	23

3.7.1	Administrative Setup	23
3.7.2	Ethnic clans and languages	23
3.7.3	Religion	23
3.7.4	Family Life	23
3.7.5	Social Organization	24
3.7.6	Industry in Haripur and Abbottabad	24
3.7.7	Trade and Trade Centers	24
3.7.8	Literacy Rate	24
3.7.9	Transportation and Accessibility	24
3.8	CHARACTERISTICS OF THE PROJECT CORRIDOR	25
3.8.1	Description of the Project Corridor	25
3.8.2	Per Acre Income from Crops	26
3.8.3	Settlement Pattern Along the Road	26
3.8.4	Population	26
3.8.5	Housing Characteristics	27
3.8.6	Average Landholdings	27
3.8.7	Education Facilities	28
3.8.8	Health Facilities	28
3.9	SOCIOECONOMIC PROFILE OF THE POPULATION ALONG THE PROJECT CORRIDOR	29
3.9.1	Population and Family Size	29
3.9.2	Education Level	29
3.9.3	Major Occupations of Respondents	29
3.9.4	Income Levels	30
3.9.5	Expenditure Levels	31
3.10	GENDER ISSUES AND ANALYSIS	31
3.10.1	Project Impacts on Women's Mobility and Access	31
3.10.2	Women's Participation in the Decision Making at the Household Level	31
3.10.3	Economic Situation of Women and Project Impacts	31
3.11	CONFLICT RESOLUTION MECHANISM IN THE PROJECT AREA	32
SECTION 4	INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION	
4.1	GENERAL	33
4.2	IDENTIFICATION OF PROJECT STAKEHOLDERS	33
4.3	CONSULTATION WITH THE STAKEHOLDERS	34
4.4	FORUMS CONSULTED	34
4.5	APPROACH ADOPTED FOR THE CONSULTATION	34

4.6	INFORMATION DISSEMINATED	34
4.7	CONCERNS RAISED BY THE PARTICIPANTS AND THEIR ADDRESSAL	35
4.8	GENDER INVOLVEMENT IN THE CONSULTATION PROCESS	35
4.8.1	Awareness, Fears and Concerns about the Project	35
4.8.2	Pressing Needs of the Surveyed Villages Suggested by Women	36
4.9	DISCLOSURE OF LARP	36
SECTION 5	GRIEVANCE REDRESS MECHANISM	
5.1	GENERAL	38
5.2	First Level of GRM	38
5.3	Second Level of GRM	39
5.4	Constitution and Function of the GRC	39
5.5	Information Dissemination and Community Outreach	39
5.6	Title Disputes and Court References Against Award	40
SECTION 6	LEGAL AND POLICY FRAMEWORK	
6.1	GENERAL	41
6.2	LEGAL FRAMEWORK	41
6.2.1	Pakistan's Law And Regulations on Land Acquisition and Resettlement	41
6.2.2	KPK Rules (Amendments In Laa-1894)	43
6.3	ADB'S INVOLUNTARY RESETTLEMENT SAFEGUARDS	46
6.4	COMPARISON OF KEY LAA (1894) AND ADB POLICY PRINCIPLES AND PRACTICES	47
6.5	REMEDIAL MEASURES TO BRIDGE THE GAP	49
6.6	ADB's Safeguard Policy Update 2009	49
6.7	LAND ACQUISITION PROCESS	50
6.7.1	Initiation of Land Acquisition Process	50
6.7.2	Issuance of Section-4	50
6.7.3	Issuance of Section-5	51
6.7.4	Issuance of Section 5a and Deposit Of Land Costs	51
6.7.5	Issuance of Corrigendum To Section-4	51
6.7.6	Announcement of Section-6	51
6.7.7	Issuance of Notices U/S 9 And 10	51
6.8	SEQUENCE OF ACTIVITIES FOR LAND ACQUISITION, LARP PREPARTION AND ITS IMPLEMENTATION	52
6.9	ON-GOING PROCESS FOR DISBURSEMENT OF AWARD COMPENSATION	54
6.9.1	Receipt Of Compensation Under Protest (Section-18)	55
CHAPTER 7	ENTITLEMENTS, ASSISTANCE AND BENEFITS	
7.1	GENERAL	56

7.2	COMPENSATION ELIGIBILITY	56
7.2.1	Owners of Land	59
7.2.2	Owners Of Houses/ Residential Structures	59
7.2.3	Relocation Assistance for Rehabilitation	60
7.2.4	Crop Losses to Affected Agricultural Land Within the Row	60
7.2.5	Entitlement Matrix	60
CHAPTER 8	RELOCATION, REHABILITATION AND INCOME RESTORATION	
8.1	GENERAL	64
8.2	RELOCATION OF APS	64
8.2.1	Additional Assistance for Vulnerability	64
8.3	INCOME RESTORATION OF DPs	65
8.3.1	Livelihood Support Intervention Measures	65
8.3.2	Special Measures to Support Vulnerable Groups	65
SECTION 9	RESETTLEMENT BUDGET AND FINANCING PLAN	
9.1	GENERAL	66
9.2	COMPONENTS OF THE RESETTLEMENT AND REHABILITATION COST	66
9.3	COMPENSATION COSTS (CC)	66
9.4	METHODOLOGY FOR DETERMINING VALUATION AND COMPENSATION RATES AT REPLACEMENT BASIS	66
9.4.1	Unit Rates of Land	67
9.4.2	Unit Rates of Houses/Buildings/Structures	69
9.4.3	Unit Rates of Crops	69
9.4.4	Unit Rates of Trees	69
9.5	COST OF LAND	69
9.6	BUDGET FOR CROP COMPENSATION	71
9.7	COST OF THE AFFECTED STRUCTURES	71
9.8	COST OF THE AFFECTED TREES	72
9.9	LIVELIHOOD ALLOWANCES FOR THE AFFECTED HOUSEHOLDS	74
9.9.1	House Rent Allowance	74
9.9.2	Transportation/Shifting Allowance	74
9.9.3	Utility Allowance	74
9.9.4	Vulnerability Allowance	74
9.10	MONITORING AND EVALUATION	74
9.11	ADMINISTRATIVE COST	74
9.12	CONTINGENCIES	75
9.13	TAXES	75
9.14	SUMMARY OF BUDGET	75
SECTION 10	INSTITUTIONAL ARRANGEMENTS	
10.1	INSTITUTIONAL REQUIREMENT	77

10.2	NATIONAL HIGHWAY AUTHORITY (Executing Agency)	77
10.3	SOCIAL SAFEGUARD MANAGEMENT CONSULTANT (SSMC)	77
10.4	ADB LAR Cell (SSMC support in EALS, HQ Level)	78
10.5	SSMC AT PIU LEVEL	79
10.6	EXTERNAL MONITORING AGENCY	81
10.7	DISTRICT GOVERNMENTS	82
10.8	OTHER AGENCIES AND INSTITUTIONS	82
10.9	COORDINATION INITIATIVES	82
SECTION 11	IMPLEMENTATION SCHEDULE	
11.1	INTRODUCTION	84
11.2	SCHEDULE FOR LARP IMPLEMENTATION	84
11.2.1	LARP Preparation Phase	84
11.2.2	LARP Implementation And Monitoring Phase	84
11.3	REVISED LARP IMPLEMENTATION SCHEDULE	85
SECTION 12	MONITORING AND REPORTING	
12.1	NEED FOR MONITORING AND REPORTING	87
12.2	INTERNAL MONITORING (IM)	87
12.3	MONITORING BY EXTERNAL EXPERT (EMA)	88
12.4	DATABASE MANAGEMENT AND STORAGE	89
12.5	REPORTING	89
12.6	DISCLOSURE	89

List of Tables

Table No.	Description	Page No.
Table 1.1	Comparative Analysis of LAR Impacts	6
Table 1.2	Village-wise summary of Awarded Amount and Amount Paid	8
Table 2.1	Mouza-wise Detail of Affected Land and Owners	11
Table 2.2	Mouza-wise Affected Crop Area	13
Table 2.3	Trees to be Removed from ROW	14
Table 2.4	Village-wise Summary of Affected Structures	15
Table 2.5	Mouza-Wise Summary of Residential Structures	16
Table 2.6	List of Affected Water Resource Structures	16
Table 2.7	Summary of Project Impacts	18
Table 3.1	Summary of Socio-Economic Survey	20
Table 3.2	Land Use Pattern in Villages along the Project Corridor	25
Table 3.3	Population of Project Corridor – 2015	26
Table 3.4	Average Landholdings of the Respondents	28
Table 3.5	Educational Institutions in the Villages along the Project Corridor In 2013	28

Table 3.6	Education Level of Study Respondents	29
Table 3.7	Occupations of the Respondents	30
Table 3.8	Income Level of the Respondents	30
Table 3.9	Average Household Expenditure	31
Table 5.1	Grievance Resolution Process	40
Table 6.1	Salient Features of the LAA 1894 and Successive Amendments	42
Table 6.2	Comparison of LAA and ADB's SPS 2009	48
Table 6.3	Schedule for Land Acquisition and LARP Preparation Activities	53
Table 7.1	Entitlement Matrix	60
Table 9.1	Mouza-wise Unit Rates According to Land Type Used by LAC in Land Awards	68
Table 9.2	Unit Rates of Structures	69
Table 9.3	Mouza Wise Summary of Cost of The Affected Land	70
Table 9.4	Mouza Wise Summary of Cost of The Affected Crop	71
Table 9.5	Mouza Wise Summary of Cost for Various Type of Affected Infrastructure	72
Table 9.6(a)	Summary of Cost of Non-Fruit Trees	72
Table 9.6(b)	Summary of Cost of Fruit Trees	73
Table 9.7	Budget for Vulnerable DPs	74
Table 9.8	Summary of Cost	75
Table 11.1	Revised LARP Implementation Schedule	85

List of Figures

Figure No.	Description	Page No.
Figure 1.1	Location of Hassanabdal-Havelian-Mansehra Expressway (E-35)	3
Figure 1.2	Location of Package-III of E-35 Expressway (Sarai Saleh–Langra, 039+500–058+600)	4
Figure 2.1	Map Showing Zone of Impact For Various Activities	10
Figure 2.2	Map Showing acquisition for various project components (main carriageway and interchanges)	12
Figure 10.1	LAR Steering Committee (LSC)	83

VOLUME - II

LIST OF ANNEXURES

Annex- I	Mouza-wise detailed list of Affected Land / Crop Owners and their Compensation
Annex –II	Mouza-wise Detail of Affected Fruit and Non-Fruit Trees
Annex –III	Mouza-wise Identification of Affected Structures
Annex –IV	Mouza-wise List of Vulnerable Landowners DPs
Annex -V to XIX	List of AH with Detail of Multiple Impacts
Annex XX	Census, Questionnaire and Socioeconomic Forms
Annex XXI	Consultation with the Stakeholders
Annex XXII	Concerns Raised By the Participants and Redress Measures
Annex-XXIII (a)	Office Order for Grievance Redressed Committee
Annex-XXIII (b)	Notification U/S 5A, 9 & 10
Annex- XXIV	Mouza-wise Detail of Compensation for Structure AFs
Annex- XXV	Letter of Unit Rates of Building, Crops and Trees
Annex- XXVI	Land Valuation Study Report (LVS)
Annex- XXVII	Corrective Action Plan (CAP)

EXECUTIVE SUMMARY

ES 1 Project Background

1. The National Trade Corridor Highway Investment Program (NTCHIP) Program is financed by ADB through a Multi-tranche Financing Facility (MFF-0016) 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: the Peshawar-Torkham Expressway and the Faisalabad-Khanewal Motorway. However, in 2008, NHA replaced the Peshawar-Torkham Expressway with the Hassanabdal-Havelian Expressway as a tranche 2 subproject.

ES2 Hassanabdal-Havelian Expressway Project (E-35), Tranche 2 of NTCHIP

2. Hassanabdal-Havelian Expressway (E-35) project is positioned for ADB financing as tranche 2 of the MFF. The E-35 Project is divided into 2 phases. Phase-I consists of a road section of 58.6 km from Hassanabdal to Havelian and is under ADB financing. Phase-II, planned for the future, consists of the section from Havelian to Mansehra. Phase 1 section consists of the following packages:

Table ES-1

Package	Sub-sections	Location	Chainage
I	1	Punjab	000+000 - 007+000
	2	Khyber Pakhtunkhaw(KPK)	000+007 - 020+300
II	-	KPK	020+300 - 039+500
III	-	KPK	039+500 - 058+600

3. This LARP relates to Package III of the E-35 expressway, under Tranche 3 of the National Trade Corridor Highway Investment Program. The E-35 expressway is located in KPK (with a small section of the road falling in Punjab) and provides an important link in the national trade corridor from Hassanabdal to Havelian, which is expected to significantly improve transportation activities in the area. Package-III starts from Sarai Saleh at the chainage of 39+500 km and ends at Langra at the chainage 58+600 km after crossing Hattar Road and Haripur – Khanpur Road. Package-III includes the construction of a new 7.3 meter wide two lane dual carriageway (19.1km) with New Jersey barrier as median, two interchanges, two flyovers, five underpasses, one bridge over railway crossing, and service area at one location. The Right of Way (RoW) of the Expressway is 60 m.

4. This updated land acquisition and resettlement plan (LARP) has been prepared by the National Highway Authority (NHA, the executing agency (EA) for this project - based on 100% census of displaced persons (DPs) linked to all different types of impacts (including land, various types of structures, trees, crops), compensation and allowances and an independent land valuation study NHA carried out in June 2015. The census of DPs has been prepared based on the socio-economic survey and impacts assessment covering the project area as well as on-going consultations (through meetings, interviews, focus group discussions) with DPs and other stakeholders, in accordance with the requirements of ADB's Safeguard Policy Statement, 2009 (SPS).

5. The Land Acquisition and Resettlement (LAR) conditions in the LARP have been synchronized with the project procurement and construction plan. These include: (i) award of civil works contract upon approval of final LARP with replacement costs as compensation to the DPs, census of DPs, entitlement matrix with clearly defined impacts, entitlements and compensation and allowances at replacement cost, and final unit rates of land and assets acquired, and (ii) mobilization of contractor conditional upon the implementation of ADB-approved LARP (i.e. full delivery of compensation/ rehabilitation provisions) and confirmation by external monitoring agency (EMA).

6. The land acquisition process for E-35 (Package-III) has been fully determined and payment of compensation is underway by the Land Acquisition Collector (LAC) and concerned NHA officials based at Project Implementation Unit (PIU) in Abbottabad. NHA has put in place a temporary LAR institutional arrangement with relevant staff deputed to PIU from the Project Management Unit (PMU) in Islamabad. This includes, in addition to field based LAC, an assistant director land (supervised by director land at PMU level), who internally monitors the payment process. The NHA will put in place full institutional and implementation arrangements after hiring of full-time Social Safeguard Management Consultants (SSMC), expected to be on board in October 2015 to support NHA/PIU with LARP implementation and capacity building. So far about 85% land compensation has been paid to about 52% DPs. While the payment of land and non-land items continues, the resettlement and rehabilitation allowances amounting to Rs. 10.37 million will be paid to 208 DPs after this LARP is approved by ADB.

7. Since the land was acquired in anticipation of ADB's financing of the project, an independent land valuation study (LVS) was undertaken by NHA to meet the SPS's due diligence requirement to examine whether land acquired and compensation offered is in line with (i) Pakistan's LAA and requirements of SPS. In this respect, NHA carried out the LVS in June 2015 by an international valuation firm (Colliers International). The study by Colliers concluded that the government compensation rates (prices fixed by Provincial Board of Revenue) were generally consistent with SPS's requirement of replacement cost in package III of E-35 project and no additional compensation needed as the BOR compensation was in close approximation to SPS's full replacement cost. The LVS is included as Annex XXV and a Corrective Action Plan based on the LVS is included as Annex XXVII.

8. Presently, NHA is in the process of establishing the following arrangements required for LARP implementation and monitoring:

- I. Recruitment of SSMC
- II. Strengthening of Grievance Redress Mechanism (GRM)
- III. Recruitment of external monitor for LARP implementation monitoring.

ES3 SCOPE OF LAND ACQUISITION AND RESETTLEMENT

9. The details of project impacts and DPs are given in the table below: A total of 5184 DPs are losing land (out of 5201 Table 2.7), 2,559 DPs are losing crops, 390 are losing trees, 03 DPs are losing water sources, 09 have impacts on miscellaneous structures which are mainly retaining walls of agriculture fields, and 26 residential structures physically displacing 172 DPs. There are no DPs that require relocation out of the project area, and no DPs will lose more than 10% of productive assets. Those losing residential structures (fully/partial) will receive cash

compensation at replacement cost, as they have opted to buy land and construct houses with the compensation amount on their own.

Table ES-2 Summary of Impacts by Type

Sr. No.	IMPACT	Total (Unit)	No of DPs
1	Land		
	Affected Land	258.34Acres	5184 (1568 HHs)
2	Cropped Area	138.1Acres	2,559**
3	Structure		
	Houses	26 HHs	172
	Water source	03	03
	Community Structures	02	02
	Miscellaneous structures	09	09
4	Trees		
	Fruit Trees	7,279	122**
	Non Fruit Trees	1,039	268**
	Firewood (*Maund)	13,414.5	
5	Vulnerable DP	182 HHs	1203

* 1 Maund = 40 kg ***"Since the affected crop and trees are the associated assets of the affected land and these DPs already have been estimated under the category of affected land DPs. Therefore, its breakdown in terms of affected **households has not been included.**"

10. Within the scope of the project, a total of 5201DPs are affected, of which 425 have multiple impacts while the other haveonly land, structures and trees related impacts. These displaced persons have been living here for centuries and have a strong affiliation with the area. Out of the total i.e 5201, 5184 are the DPs (losing land, land plus structures, land plus trees & land plus structure & trees) and the remaining 17 are the DPs losing their structures and trees only (**Table 2.7**).

Table ES-3: Summary of Project Impacts by Mouza

Sr. No.	Mouza	No. of DPs Per Impact									
		Land	Trees	Structures		Land & Structure		Land & Trees	Land, trees & Structures		Total
				DPs	Category/No.	DPs	Category/No.		DPs	Category/No.	
1	Nowshera	615	3	2	School	14	House (2), WR (1)	5	–		634
2	Mallah	216	–			2	WR(1), WB (1)	15	7	House(1)	240
3	Kalu Mera	538	3			70	House (10), W (4)	11	53	House (8)	672
4	Drone Mera	257	–			14	House (2)	11	1	W (1)	283
5	Maqsooda		–			–		3	–		3
6	Toot Mera	94	1			–		6	–		100
7	Dobandi	103	–			–		17	13	House (2)	133
8	Akhone Bandi	485						45			530
9	Mohree	545	1			2	W (2)	29	7	House (1)	583
10	Changee Bandi	714	4			–		56	–		770
11	Bagra	19	–			–		2	–		21
12	Gheba	154	–			–		4	–		158
13	Wazeera	191	3			–		15	–		206
14	Kholyan Bala	231	–			–		11	–		242
15	Langra	597	–					10	2	W (2)	609
Total		4,759	15	2		102		240	83		5184
			17								5184
Grand Total (DPs)		17 + 5184 = 5201									

Key: WR. Water Resource
WB. Water Bore
W. Wall

ES 4 SOCIO-ECONOMIC INFORMATION AND PROFILE

11. The project is located in Haripur & Abbottabad Districts of KPK Province. The total area of the two districts is 1725 km² & 1967 km² (426248 Acres) respectively. Haripur district consists of 02 Tehsils, namely Tehsil Haripur & Tehsil Ghazi, while Abbottabad District also serves as its Tehsil. Haripur & Abbottabad districts lie at an altitude of around 610 meters (2,000 ft) and 1,220 meters above sea level, respectively. The entire alignment of Package-III falls in Tehsil Haripur and Havelian (Abbottabad). The overall literacy rate in Haripur district is 31.3% and 64.29% in Abbottabad. Female literacy rate in Abbottabad & Haripur District is only 49.44% & 17.35% compared to male literacy rate of 78.51% & 44.35%, respectively. The 15 affected mouzas has a total area of 16,193 acres, of which about 58% is uncultivated and 42% is cultivated.

12. According to 1998 district census report, the population of the 15 villages along the project corridor stood as 69,719 persons; however, in 2015, the population has increased to 100,929 persons comprising of 51,189 males and 49,219 females (an annual growth factor of 2.2 & 1.98 has been applied for Haripur & Abbottabad districts, respectively).

ES 5 INFORMATION DISCLOSURES, CONSULTATION AND PARTICIPATION

13. In order to meet the criteria of meaningful consultation process, consultations were restarted from the early stages of the project. Various participatory approaches were utilized, which included key informants' meeting, structured survey of DPs and informal group meetings. Interaction with DPs and getting them involved will continue during the updating and implementation of the resettlement plan, consistent with the project's participatory approach. Consultation sessions for LARP preparation were held with DPs during the month of May, 2009, July 2012, March 2015 & April 2015, and proved very useful in information sharing and consensus building. The main issues discussed during consultations were: description of various project components, its activities and impacts; land acquisition process and approval of land prices; entitlement matrix; provisions made for the affectees in the LARF; criteria for valuation of land, buildings and other infrastructure; compensation framework proposed for the affectees; grievance redress procedures etc. The draft LARP was disclosed earlier and this updated LARP has also been also disclosed to DPs. Further details are provided in Section 4.

ES 6 GRIEVANCES REDRESS MECHANISM

14. A grievance redress mechanism has been designed to ensure that the complaints and grievances of displaced DPs are addressed and resolved in a timely and satisfactory manner. A three-tiered grievance redress mechanism (village level, project level, and NHA-HQ level) has been established to effectively deal with issues and concerns (of DPs/APs) related to social impact assessment, resettlement, asset valuation, compensation & rehabilitation. The grievance redress mechanism will ensure access of AFs/DPs to register their complaint and further its resolution in the given mechanism, and consistent with local laws and SPS requirements.

ES 7 LEGAL AND POLICY FRAMEWORK

15. The land acquisition, compensation and rehabilitation of project affected household will be governed by National Laws, and ADB's SPS (2009). There are gaps between National Laws

and ADB's SPS regarding the compensation and rehabilitation of DPs; however, to reconcile these inconsistencies, the NHA has prepared a LARF for the Project. Hence, compensation and resettlement policy under the project are guided by all the principles of SPS (2009) including: (i) land acquisition should be minimised as much as possible, (ii) ensure that affected people receive compensation at full replacement values along with relocation assistance so that they will be at least as well off, or in better condition, than before the project took place.

ES 8 ENTITLEMENTS, ASSISTANCE AND BENEFITS

16. A fundamental objective of the LARP is to replace and compensate lost assets based on the principle of replacement cost. In addition a combination of compensation and various forms of assistance and income restoration program have also been provided in the LARP and all payments in the LARP will be made to the DPs prior to the displacement of DPs from their houses, land, and other assets. This is expected to enable the DPs maintain or at least restore their pre-project level living standard, while for vulnerable groups this is expected to assist them in improving their socio-economic status. In addition to compensation at replacement cost, DPs will receive additional entitlement, incentives and assistance for the loss of their land and land-based assets. The entitlement matrix, below, provides details about DPs entitlements.

Table ES-3: Entitlement Matrix

Type of Loss	Application	Definition of DPs	Compensation Entitlements
Land, including cultivable land and uncultivable wasteland	All land losses irrespective of impact severity	Owner (Legal/legalizable) (5184No. DPs) , whose land is required for the project.	<ul style="list-style-type: none"> • Cash compensation at current market value/ full replacement cost plus 15% CAS, free of taxes, of registration and transfer costs; • Additional payment equal to the inflation rate, if the payment is delayed for 06 months after the announcement of land awards under LAA.
Residential/commercial land	Owner of each AH	Owner (legal/legalizable) 26houses(26 owners)	<ul style="list-style-type: none"> • Cash compensation at replacement cost plus 15% compulsory acquisition surcharge (CAS) free of taxes, registration and transfer costs; • Additional payment equal to the inflation rate, if the payment is delayed for 06 months after the announcement of Awards under LAA. • Allowance for new electricity connection/charges of Rs. 40,000 per HH and total Rs. 1,040,000/- for 26 HH.
Community and miscellaneous		Owner of the Structure (14No.DPs)	<ul style="list-style-type: none"> • Cash compensation at full replacement cost for affected structures and other fixed assets,

Type of Loss	Application	Definition of DPs	Compensation Entitlements
structures			<p>free of salvageable materials, depreciation and transaction cost and also transportation cost. Fees and taxes (if applicable) will be waived.</p> <ul style="list-style-type: none"> • Livelihood allowance equal to 3 months of inflation adjusted OPL. • Rs. 40,000 for expenses on utility at new premises.
Livelihood Allowance	All DPs losing residential structures	Residential structure owners and incomes (26 No. Owners)	<ul style="list-style-type: none"> • Livelihood allowance equal to 3 months of inflation adjusted OPL.
Crops	Affected crops	Cultivator of crop (2,559 No. DPs)	<ul style="list-style-type: none"> • Crop compensation in cash at the current market rate for one year's agricultural income (both <i>rabi</i> and <i>kharif</i> harvests).
Trees	All affected trees	Owners (390 No. DPs)	<ul style="list-style-type: none"> • Fruit trees: compensation to reflect income replacement as assessed by Agriculture department based on market value of annual produce, projected for number of years the tree can potentially produce fruit. Compensation to be paid as announced in the land awards. • Timber trees: trees grown and/or used for timber. The compensation is to reflect the market value of tree's wood content, based on the unit rates as provided by the Forest Department. Compensation to be paid as announced in the land awards.
Relocation/ Transportation Assistance	All owners losing residential structures	DPs to be relocated- Owners of residential structures (26 No. owners)	<ul style="list-style-type: none"> • One time paid in lump sum, an amount of Rs. 15,000 in case of household and Rs. 10,000 for shop structures as transport allowance to shift the materials of affected structures.
Vulnerability Allowance	All DPs below OPL	All DPs with low income, below OPL (182 No. HHs)	<ul style="list-style-type: none"> • Additional Cash allowance equivalent to 03 months of inflation adjusted OPL. • Priority in project related employment, ensured through bidding document.

Type of Loss	Application	Definition of DPs	Compensation Entitlements
Unidentified Losses	Unanticipated Impacts	All DPs	<ul style="list-style-type: none"> Dealt with as appropriate during sub-project implementation according to the ADB Policy.

ES 9 RELOCATION, REHABILITATION AND INCOME RESTORATION

17. DPs have been compensated through effective relocation, rehabilitation and income restoration strategies that have been derived from consultation with the DPs (26 DPs, physically displaced) and vulnerable. They have been paid different types of payments and allowances in addition to employment opportunities on project related works on priority basis. As discussed earlier, the physically displaced DPs do not require relocation outside their local areas. No DP will lose 10% or more of productive assets.

ES 10 RESETTLEMENT BUDGET AND FINANCING PLAN

18. Resettlement cost is **Rs. 500,457,724 (500.457 million)**, as indicated in the table below. The resettlement budget includes land acquisition cost of Rs. 365.511 million (Mandatory), crop compensation of Rs. 4.481 million, compensation for trees of Rs. 11.114 million, cost of structures at Rs 22.127 million, allowances equal to Rs. 7.0 million, monitoring and evaluation cost of Rs. 20.68 million, administrative charges of Rs. 4.14 million, and contingencies cost of Rs. 62.04 million.

ES 11 INSTITUTIONAL ARRANGEMENTS

19. NHA, the executing agency for the project, is overall responsible for the satisfactory implementation of this LARP. However, NHA will manage all safeguard related matters through its special wing, the Environment Afforestation Land and Social (EALS), in coordination with Project Management and Implementation Units assisted by Social Safeguard Management Consultant (SSMC). The SSMC will assist EALS at PMU and PIU in reviewing and preparing safeguard documents, according to the LARF approved by the Government and ADB, and will provide the necessary training and capacity building to the executing agency to this effect. An independent monitoring agency will also be placed for the monitoring of LARP implementation. The external monitor will be on board well before contract award and will provide 1st quarterly monitoring report of LARP before contract award/contractor mobilization to the site. The following primary institutions will be involved in this implementation process:

- National Highway Authority, Pakistan
- Environment, Afforestation, Land and Social Wing in NHA HQ.
- Project Management Unit (PMU)
- Social Safeguard Management Consultants (SSMC)
- External Monitoring Agency (EMA)

20. In addition, there will be Grievance Redress Committee (GRC) and DPs elected committees (DPCs) under the institutional arrangements for LARP implementation.

ES 12 IMPLEMENTATION SCHEDULE

21. The LARP implementation for the proposed subproject is divided into two major categories based on the stage of the project and LARP prepared. The details of activities involved in two major implementation categories include updating of draft LARP into implementation ready LARP, and LARP Implementation and Monitoring phases. The LARP will be implemented up to March 2016 as per time frame given in CAP (Annex-XXVII).

ES 13 MONITORING AND REPORTING

22. LARP activities under the Project will be subject to both internal and external monitoring. The Executing Agency will be responsible for internal monitoring of resettlement activities ensuring that the draft resettlement plan is updated and implemented according to approved project policy, i.e. LARF. The result of internal monitoring will be included in the monthly progress reports submitted by the executing agency to ADB. The executing agency will engage the services of an External Monitor Agency (EMA) for external monitoring of the LARP. External monitoring reports will be prepared on a quarterly and semi-annual basis during the implementation of the project. Based on the external monitor's report, if significant issues are identified, a corrective action plan (CAP) to ensure safeguard compliance will be prepared, reviewed and approved by ADB, and disclosed to affected persons. Internal monitoring is already underway and the external monitor will also be mobilized after the approval of LARP.

23. Among other LAR indicators to be internally and externally monitored (as indicated in section 12), all the DPs supported with 3 months income for loss of livelihood will be monitored to ensure restoration of pre-resettlement standard of living.

SECTION 1

PROJECT DESCRIPTION

1.1. PROJECT BACKGROUND

24. The Government of Pakistan (GOP) gives major emphasis to improving existing roads and building new motorways and expressways to improve and expand the country's road network. The Asian Development Bank (ADB) has provided funding for the implementation of National Trade Corridor Highway Investment Program (NTCHIP). The construction of Hassanabdal to Havelian Expressway (E-35) under NTCHIP is an important step towards this direction.

25. The NTCHIP Program is financed by ADB through a Multi-tranche Financing Facility (MFF-0016) 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: the Peshawar-Torkham Expressway and the Faisalabad-Khanewal Motorway. However, in 2008, NHA replaced the Peshawar Torkham Expressway with the Hassanabdal-Havelian Expressway as a tranche 2 subproject. Thus, the scope of tranche-1 was reduced from 2 to 1 project, i.e. Section-1 of the Faisalabad to Khanewal Motorway (M-4)- a 58 km long motorway from Faisalabad to Gojra. The M-4 (Section-1) is already under construction as Tranche-1 of the MFF.

1.2. Hassanabdal Havelian Expressway Project (E-35), Tranche 2 of NTCHIP

26. The Hassanabdal-Havelian Expressway (E-35) Project is positioned for ADB financing as tranche 2 of the MFF. The E-35 Project is divided into 2 phases: Phase-I consist of a road section of 58.6 km from Hassanabdal to Havelian and is under ADB financing. Phase-II, planned for the future, consists of the section from Havelian to Mansehra. The Phase 1 section consists of the following packages:

Package	Sub-sections	Location	Chainage
I	1	Punjab	000+000 - 007+000
	2	Khyber Pakhtunkhawa (KPK)	000+007 - 020+300
II	-	KPK	020+300 - 039+500
III	-	KPK	039+500 - 058+600

27. The E-35 Expressway is located in KPK (with a small section of the road falling in Punjab) and provides an important link in the national trade corridor from Hassanabdal to Havelian, which is expected to significantly improve transportation activities in the area. Located in District Haripur and Abbottabad, the length of E-35 Package-III is 19.1 km. It starts from Sarai

Saleh at the chainage of 39+500 km and ends at Langra at the chainage 58+600 km after crossing Hattar Road and Haripur–Khanpur Road. Package-III includes the construction of a new 7.3 meter-wide two lane dual carriageway (19.1km) with New Jersey barrier as median, two interchanges, two flyovers, five underpasses, one bridge over railway crossing, and service area at one location. The Right of Way (RoW) of the Expressway is 60m.

28. This land acquisition and resettlement plan (LARP) has been prepared by the National Highway Authority (NHA), the executing agency for this project, based on 100 % census of displaced persons (DPs) linked to all different types of impacts (including land, various types of structures, trees, crops), compensation and allowances. The census of DPs has been prepared based on the socio-economic survey and impacts assessment covering the project area as well as on-going consultations (through meetings, interviews, focus group discussions) with DPs and other stakeholders, in accordance with the requirements of ADB's Safeguard Policy Statement (SPS) 2009.

29. The LARP also provides Land Acquisition and Resettlement (LAR) conditions that have been synchronized with project procurement and construction plan. These includes: (i) award of civil works contract upon approval of final LARP with replacement costs as compensation to the DPs, census of DPs, entitlement matrix with clearly defined impacts, entitlements, compensation and allowances at replacement costs, and final unit rates of land and assets acquired, and (ii) mobilization of contractor conditional upon the implementation of ADB-approved LARP (i.e. full delivery of compensation/ rehabilitation provisions) and confirmation by external monitoring agency (EMA).

30. The land acquisition process for E-35 (Package-III) has been completed and payment of compensation is underway by the Land Acquisition Collector (deputed to NHA by the Revenue Department) and other NHA officials based at Project Implementation Unit (PIU) in Abbottabad. NHA originally put in place a temporary institutional arrangement with relevant staff deputed to PIU from the Project Management Unit (PMU) in Islamabad. This includes, in addition to the field based LAC, an assistant director land (supervised by director land at PMU level), who internally monitors the payment process. The NHA put in place full institutional and implementation arrangement after hiring of full-time SSMC to support NHA in the implementation of the LARP. About 85% of the payments for land and assets (including structures, crops and trees) have been made to about 52% DPs. Only the resettlement and rehabilitation related allowances, including income restoration support, are yet to be paid, and will be done after ADB has approved the LARP.

31. Package-III is planned to be funded from the MFF for the National Trade Corridor Highway Investment Program (NTCHIP). The National Highway Authority (NHA) is the Executing Agency (EA) of the Project. Figure 1.2 shows the location of Package-III.

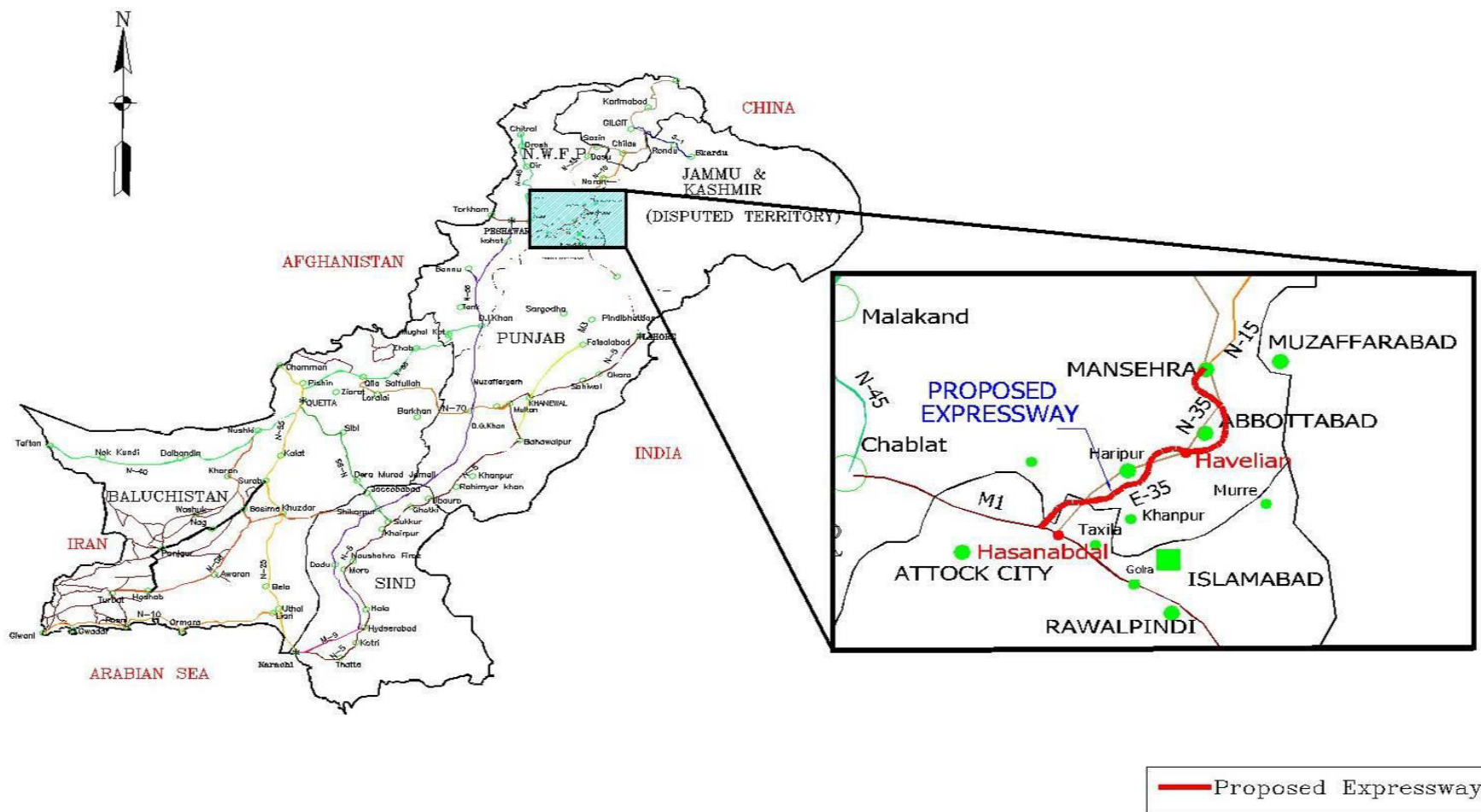
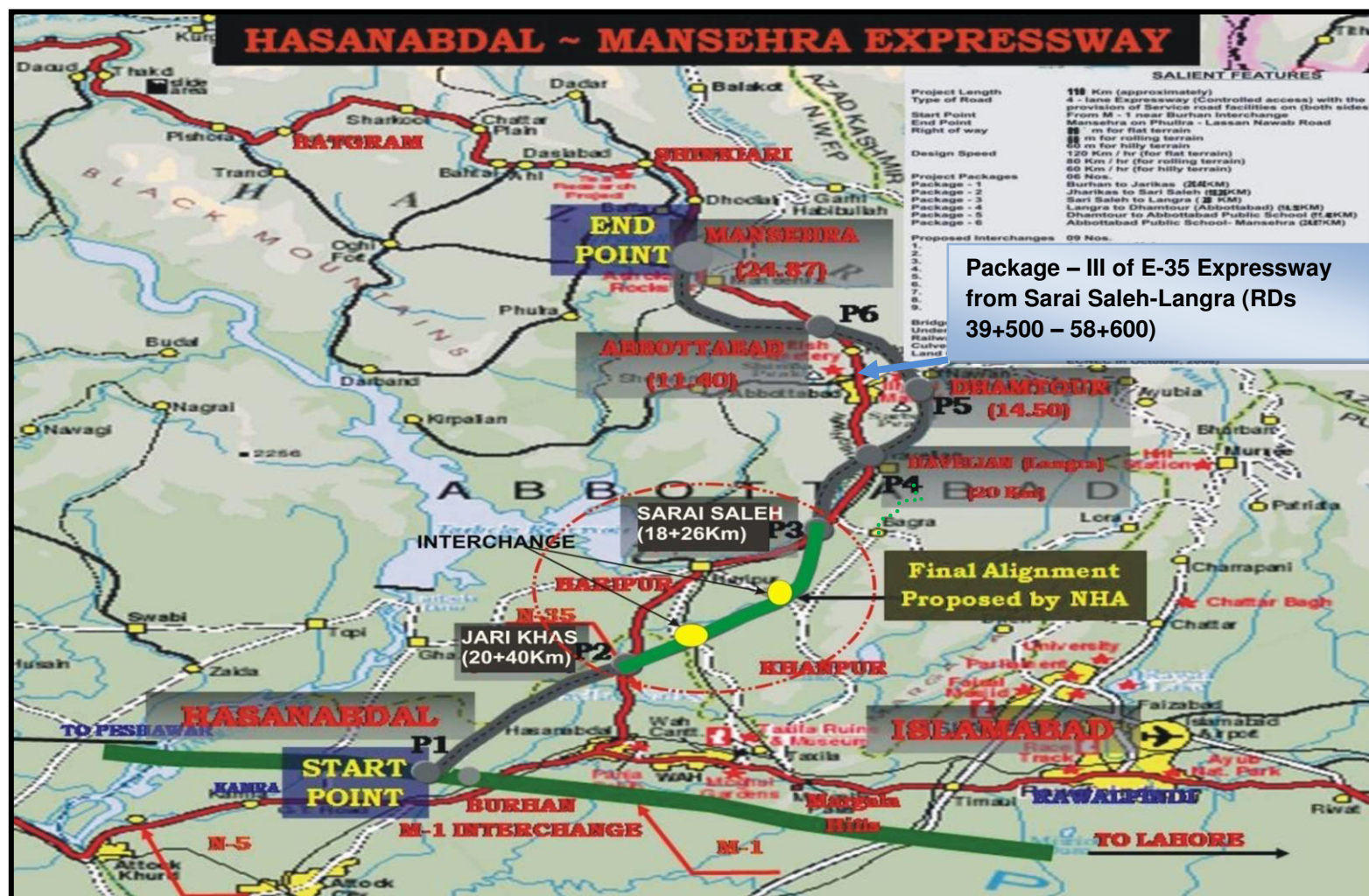


FIGURE 1.1 LOCATION OF HASSANABDAL-HAVELLIAN-MANSEHRA EXPRESSWAY (E-35)

Figure 1.2: Location of Package- III of E-35 Expressway (Sarai Saleh - Langra, 039+500 – 058+600)



1.3. PROJECT COMPONENTS INVOLVING LAR ISSUES

32. The entire length is at new alignment. It crosses through 15 rural settlements (villages locally called mouzas) including Nowshera, Mallah, KaluMera, Drone Mera, Maqsooda, Toot Mera, Dobandi, AkhonBandi, Mohri, ChangeeBandi, Bagra, Gheba, Waziran, KholyanBala and Langra. Privately owned land from these settlements has been acquired under the Land Acquisition Act, 1894. It has also affected structures, trees, crops and other assets within the Right of Way (ROW). The project is being financed by the Asian Development Bank (ADB). Accordingly, this LARP has been prepared/updated in accordance with the guidelines of ADB's Safeguard Policy Statement 2009 (SPS), the updated Land Acquisition and Resettlement Framework (LARF), and national statutory requirements.

1.4. ANALYSIS OF ALTERNATIVES

1.4.1 Option-1: No Project

33. Without the project, the existing road from Hassanabdal to Havelian (part of N-35) will continue to be the main means of transportation in the area. The width of this road is 6.1m and is insufficient to cater to the traffic load. Traffic jams at busy locations such as Sarai Saleh, Haripur and Havelian are common, resulting in waste of time and money. These traffic congestions are expected to increase with time, and road conditions are expected to deteriorate without the presence of any extended maintenance program. No Project Option will result in further worsening of the present socio-economic environment of the area and increased disturbance to residents of the area and road users.

1.4.2 Option-2: Dualization of Existing Carriageway

34. The other option is the dualization of the existing N-35 (KKH) road from a two lane carriageway to a four lane carriageway. But no RoW is available with the NHA for dualization. Due to increase in the size of settlements and urbanization along the road over time, no space is available for widening purposes. This option will require land acquisition and disturbance of residential, commercial and socioeconomic existing infrastructure, thereby resulting in large quantum of resettlement in congested populated areas. During Environmental Impact Assessment (EIA) conducted by NESPAK in July 2007, the social impacts for dualization of the existing carriageway were estimated. The results of this survey are shown in **Table 1.1**. The results indicated that dualization of existing road will result in social upset in the area. Hence, this option was dropped.

1.4.3 Option-3: Construction of a New Carriageway: The Selected Option

35. This option involves construction of an Expressway from Hassanabdal to Havelian on a new alignment. Apart from meeting the local needs, the Expressway will form part of the National Trade Corridor (NTC) infrastructure planned to connect the Gawadar Port with the Gilgit, Baltistan and leading towards China, as a part of motorways/expressways network. The proposed expressway will be constructed on a new alignment, which will traverse partially through agricultural & barren land and hills/rocks etc. However, this option needs acquisition of private agriculture land and structures and will require relocation and rehabilitation of people losing land and land-based assets to the project. However, efforts were made by making change in design to avoid the sensitive and religious structures and to minimize the LAR issues to the extent possible.

36. According to design of the Package-III, the expressway will have impact on 258.34 acres agriculture/barren/residential land, 26 residential structures, 02 community structures, 03 water resource structures, 09 miscellaneous infrastructures, and 8318 trees. In addition, firewood weighing 13414.5 maunds (one maund=40 kgs) will also be removed. The impacts are small compared to the dualization of the existing road (N-35) option, which will involve relocation of a large number of infrastructure assets resulting in social disruption and delayed project implementation. A comparative analysis of LAR impacts under both the alternatives are provided in **Table 1.1** which strongly recommends the construction of the expressway on new alignment based on socio-economic considerations.

Table 1.1: Comparative Analysis of LAR Impacts

Sr. No.	Description	Dualization of Existing Road (N-35)	Construction of New (E-35) Expressway
1	Land	250 Acres	258.34 Acre
2	Structures		
	Residential	172	26
	Commercial	90	00
	Community Structures	66	02
	Water resource Infrastructure/ Assets	00	03
	Miscellaneous Structures	00	09
3	Trees	8050	8318

37. The above data shows that dualization of the existing carriageway (N-35) will require about 250 acres of prime agriculture/commercial land, relocation of 172 residential, 90 commercial, 66 community/religious assets and cutting of about 8050 trees. The major implications of the dualization option are that it involved acquisition of costly urban land, 4-5 times higher cost of relocation of infrastructure than the land acquisition cost, heavy tree cutting and existing ROW could not be fenced like the expressway because people have been using this road for years and can go to court on this issue. Based on the analysis of different alternatives, it is apparent that, with the construction of the expressway, the impact will be minimized in terms of impacts on population, infrastructures, access to resources and sources of livelihoods. Keeping in view the analysis of the options, the construction of Expressway on a new alignment stands as a viable option.

1.5. NEED FOR LARP

38. Involuntary resettlement, according to the ADB's Safeguard Policy Statement 2009 (SPS), may cause severe long-term socioeconomic hardships, impoverishment and environmental damages unless appropriate measures are carefully planned and carried out. The Policy requires that involuntary resettlement should be avoided, where feasible, or minimized - exploring all viable alternative project designs. In cases, it becomes unavoidable, a LARP is prepared that requires an entitlement matrix, compensation plan and payment procedure, institutional arrangements, monitoring and reporting framework, a time bound action plan, and meaningful consultations with DPs to provide them with an opportunity to participate in planning and implementation of the resettlement program. As per the Policy, DPs should be

assisted in their efforts to improve their livelihoods and standard of living or, at least their standard of living and livelihoods should be restored to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher. This Policy also endorses eligibility of all the categories of persons occupying the project area prior to the cut-off date, whether they have formal legal rights or not.

39. This LARP has been prepared by NHA with the support of consultant, NESPAK. It is based on 100% census of losses of DPs in terms of land, structures, trees and water resource infrastructure; socio-economic survey of 25% sample of DPs in the project area, and on-going consultations (through meetings, interviews, focus group discussions) with DPs and other stakeholders, in accordance with ADB Involuntary Resettlement guidelines as described in the SPS 2009. The LARP has been reviewed and fully endorsed by NHA for implementation and monitoring.

40. The primary objective of the LARP is as follows;

- Present a strategy for achieving the objectives of the resettlement policy;
- Provide a framework for implementation of the stated strategy to ensure timely acquisition of assets, payment of compensation and delivery of other benefits to displaced persons;
- Provide details on the policies governing land acquisition, the range of adverse impacts and entitlements, and implementation of the project facilitating DPs' efforts to improve their living standards, income earning capacity and production levels or, at least restore them to pre-project levels;
- Provide details on the public information, consultation and participation, and grievance redress mechanism in project planning, design and implementation;
- Identify and provide an estimate of required resources for implementation of recommended strategies; and
- Provide a framework for supervision, monitoring and evaluation of LARP implementation.

1.6. LAND ACQUISITION AND RESETTLEMENT (LAR) CONDITIONS

41. The contract award for civil works is conditional upon the preparation of implementation ready LARP, acceptable to ADB in accordance with the LARF and SPS 2009 requirements, and reflecting final impacts, DPs lists, and final compensation rates of land, structures, trees and crops approved by the relevant departments. Similarly, the mobilization of contractor will be conditional upon the implementation of ADB-approved LARP (i.e. full delivery of compensation by type of impacts with resettlement and rehabilitation allowances) and confirmation by external monitoring agency (EMA), to be hired/mobilized before loan approval (in view of the on-going compensation disbursement which was initiated before approval of LARP).

42. As far as E-35 (Package-III) is concerned, the payment of compensation is at an advance stage in all the 15 villages, and the award has been announced. The proper institutional

arrangement in the form of a Social Safeguard Management Consultant firm has been fully in place and functioning since April 2015. The compensation paid for fixed assets is based on replacement cost and Collier verified the rates as per international standards in 2013. 41. The base year for the calculation of compensation rate under LAA is 2011. The number of DPs who have been paid for loss of land is still in progress. Overall, 78.9% of payments have been made. During implementation of the LARP, DPs identification and estimation of their compensations will be re-confirmed and verified by the implementation staff to avoid any discrepancies and the document will be updated accordingly.

43. Table 1.2 below provides village-wise details about the awarded amount and the amount paid thus far.

Table 1.2: Village-wise Summary of Awarded Amount and Amount Paid

Sr. No.	MOUZA	AWARDED AMOUNT(PKR)	AMOUNT DISBURSED(PKR)	% ACHIEVED	DISTRICT	STATUS OF MUTATION
1	Dobandi	13,541,612.00	13,117,396.00	96.9	Haripur	Mutated
2	Shah Maqsoodah	6,619,432.00	6,511,519.00	98.4	Haripur	Mutated
3	Maira Toot	5,380,179.00	4,685,030.00	87.1	Haripur	Mutated
4	Kholian Bala	4,065,595.00	2,865,144.00	70.5	Haripur	Mutated
5	Akhone Bandi	37,640,790.00	34,938,846.00	92.8	Haripur	Mutated
6	Gheba	6,108,201.00	5,315,993.00	87.0	Haripur	Mutated
7	Changi Bandi	37,122,444.00	32,101,108.00	86.5	Haripur	Mutated
8	Kalu Maira	20,527,647.00	19,885,340.00	96.9	Abbottabad	Mutated
9	Nowshera	6,768,732.00	1,298,324.00	19.2	Abbottabad	Mutated
10	Drone Maira	8,110,379.00	6,621,366.00	81.6	Abbottabad	Mutated
11	Mallah	6,699,455.00	6,147,184.00	91.8	Abbottabad	Mutated
12	Waziran	5,684,583.00	4,808,194.00	84.6	Abbottabad	Mutated
13	Bagra	18,084,985.00	16,020,387	88.6	Haripur	Mutated
14	Mohri	183,392,520.00	152,973,634.00	83.4	Haripur	Mutated
15	Langra	43,073,509.00	10,691,671.00	24.8	Abbottabad	Under Process
	TOTAL	402,820,063.00	317,981,136.00	78.9		

SECTION – 2

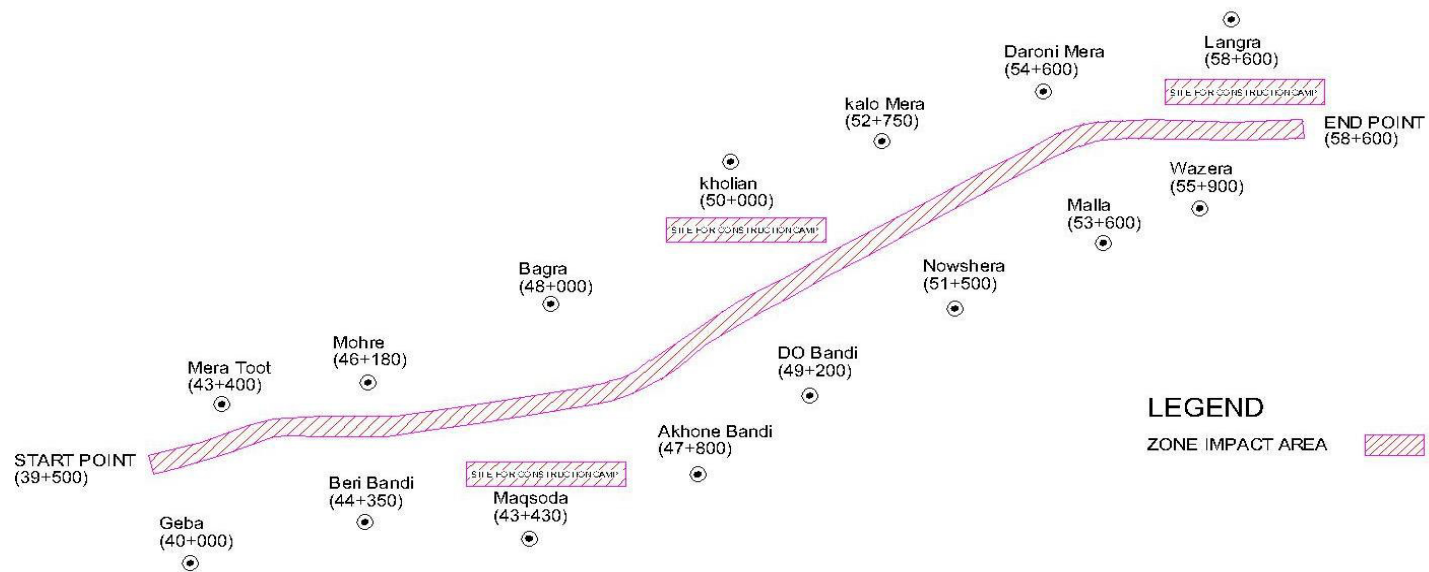
SCOPE OF LAND ACQUISITION AND RESETTLEMENT

44. The Hassanabdal-Havelian Expressway under Package-III is a new alignment, which will be constructed through the acquisition of land. The major components include: main carriageway, 2 Interchanges, 10 bridges and 8 underpasses. **Figure 2.1** shows the zones of impact of the project components/ activities.

2.1 PROJECT IMPACTS

45. A census was carried out along with an inventory of losses to identify the magnitude of resettlement impacts. Details on the inventory of losses included information on names of displaced persons and all assets that are within the scope of the proposed easement, including productive and residential land, housing structures and water resource infrastructures. The project has an impact on 5184 land DPs. Out of the total, 425 DPs have multiple impacts (in the form of land + structure + tree), 240 DPs are losing their land & trees, 102 DPs are losing land plus structure, 2 are losing structures only, 15 are losing trees and 4,759 DPs are losing their land. Another 26 DPs are physically displaced but they will not require any relocation, as they have already opted for cash compensation on the basis of replacement cost, and will use the compensation amount to buy land and construct houses on their own. The details of project impacts are as follows:

FIGURE 2.1 :- MAP SHOWING ZONE OF IMPACT FOR VARIOUS PROJECT ACTIVITIES



2.2. IMPACT ON LAND

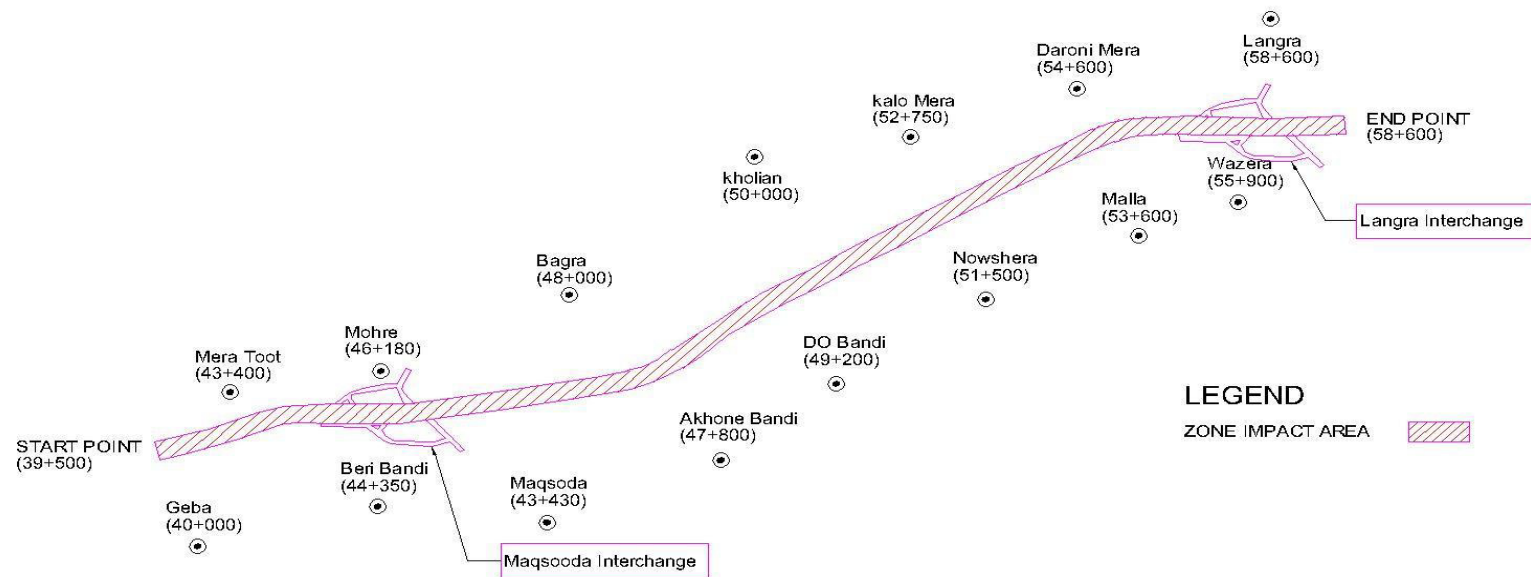
46. The project will require 258.34 acres of land on a permanent basis in 15 mouzas of District Haripur and Abbottabad. **Figure 2.2** highlights the areas involving land acquisition. The acquisition process for land is in progress by NHA. Awards have been announced by the Land Acquisition Collector (LAC) for all the 15 villages where payment of compensation to DPs, as per acquaintance roll is under progress.

47. For the assessment of permanent acquisition of land in all the 15 villages, latest revenue record from the Land Acquisition Collector (LAC) as per acquaintance roll, based on land awards has been used. Mouza-wise summary of affected land along with the ownership is given in **Table 2.1** below:

Table 2.1: Mouza-wise Detail of Affected Land Owners

Sr. No.	Name Of Mouza	Total Land Holding (Kanal)	Affected Land (Kanal)	No. of Land Affectees
1	Nowshera	805.74	206.30	634
2	Mallah	265.45	78.00	240
3	KaluMera	629.95	154.15	672
4	Drone Mera	451.60	112.20	283
5	Maqsooda	7.05	5.90	03
6	Toot Mera	89.45	14.90	100
7	Dobandi	417.527	163.027	133
8	AkhoneBandi	469.62	197.95	530
9	Mohri	318.45	186.60	583
10	ChangeeBandi	1220.36	363.75	770
11	Bagra	57.45	32.25	21
12	Gheba	337.60	78.35	158
13	Wazeera	621.40	143.00	206
14	KholyanBala	503.45	124.50	242
15	Langra	480.41	205.90	609
Total		6675.50 (834.43 Acres)	2066.78 (258.34 Acres)	5184

**FIGURE 2.2 :- MAP SHOWING AQUISITION FOR VARIOUS PROJECT COMPONENTS
(MAIN CARRIAGEWAY AND INTERCHANGES)**



48. The above table shows that there are 5028 land affectees, who have lost their land. No sharecroppers/ tenants were identified among them during the census of DPs. Similarly, no farm labourers/ workers were identified on the affected agricultural land.

2.2.1. Temporary Lease of Land for Project Works

49. About 30 acres of land will be borrowed for setting up of project camp offices, residential quarters, workshop, etc. According to Design Engineer, three camps will be established by the contractor, near Maqsooda, KholyanBala and at Langra. For each camp, 10 acres of land will be borrowed. The contractor through negotiation with the land owners in the form of lease agreement, and under the intimation and approval of the Project Director, will get the land on lease, which will be restored and returned to the land owners in its original condition. The conditions will be made in the bidding document.

2.3. IMPACT ON CROPPED AREA

50. The land revenue record and consultant data shows that the project has impact on 138.13 acres of cropped area. Mouza-wise summary of affected cropped area along with the number of DPs is given in Table 2.2 (below). Crop impacts and compensation for crops to owners of agriculture land is detailed in **Annexure-I**.

Table 2.2: Mouza-wise Affected Crop Area

Sr. No.	Mouza	Affected Cropped Area (Kanal)	No. of DPs
1	Nowshehra	00	00
2	Mallah	54.25	157
3	KaluMera	62.95	313
4	DroniMaira	57.10	69
5	Shah Maqsood	5.25	03
6	Maira Toot	14.80	96
7	Dobandi	40.65	75
8	AkhoneBandi	163	357
9	Mohri	132.249	434
10	Changi Bandi	330.65	608
11	Bagra	30.15	21
12	Gheba	68.25	65
13	Waziran	59.85	127
14	KholyanBala	5.40	23
15	Langra	80.50	211
Total		1105.049 (138.1 Acres)	2,559

2.4. IMPACT ON TREES

51. The project has impact on fruit and non-fruit trees which will ultimately be removed from the ROW. According to field assessment, a total number of 8318 trees are to be removed, including 7279 fruit trees and 1039 non-fruit trees. In addition, firewood weighing 13414.5 maunds (one maund=40 kgs) will be removed. The trees have been included in the Awards announced by the Collector for the respective mouzas. Mouza-wise information of number of trees and its ownership is summarized in **Table 2.3** and detailed in **Annexure-II**.

Table 2.3: Affected Trees

Sr. No.	Mouza	Non-Fruit Trees			Fruit Trees	
		No. of DPs	No. of Trees	Firewood (Maunds)	No. of DPs	No. of Trees
1	AkhonBandi	44	202	1364	22	619
2	Bagra	2	21	85	2	208
3	Changi Bandi	67	389	839	41	2521
4	Dobandi	23	73	621	4	127
5	DroniMaira	11	0	312	1	25
6	Gheba	4	11	125	N/A	N/A
7	KaluMaira	17	9	3405	12	93
8	KholiyanBala	17	52	420	N/A	N/A
9	Langra	15	11	3110	N/A	N/A
10	Mallah	14	6	615	1	5
11	Maira Toot	7	37	57.5	3	107
12	Mohri	22	183	802	32	3341
13	Nowshera	6	3	947	3	4
14	Shah Maqsood	1	42	0	1	229
15	Wazeera	18	0	712	N/A	N/A
Total		268	1039	13414.5	122	7279

Source: Census Survey of Affected Persons by NHA on March 2012

2.5. IMPACT ON STRUCTURES

52. The census identified that the project has impact on 26 residential structures (26 parcel of land) with an affected area of 21326.9s.ft., 02 community structures, 03 water resource structures, and 09 miscellaneous structures, while no commercial structures are affected. All the

DPs are affected almost with 100% covered area, which would be acquired. These affected structures are categorized¹ as Pacca, Semi-Pacca and Kacha structures. The breakdown of structures by number of DPs, area, and type is given in the tables also and detailed **Annexure-III**. These structures are scattered along the entire stretch; therefore, no mass relocation is required. The project will need to make appropriate arrangements and provide sufficient funds to relocate these structures. The support provided under this resettlement plan will need to include funds for the re-establishment of these structures and income generating activities as needed. **Table 2.4** gives the village-wise summary of affected structures.

Table 2.4: Village-wise Summary of Affected Structures

Sr. No.	Name of Mouza	Residential Structure (No.)	Community Structures (No.)	Water Resource Structures (No.)	Miscellaneous Structures (No.)	Total No of Structures
1	Nowshera	02	02	-	01	05
2	Mallah	01	-	01	01	03
3	Dobandi	02	-	-	-	02
4	DroniMaira	02	-	-	01	03
5	KaluMaira	18	-	02	02	22
6	Moree	01	-	-	02	03
7	Langra	-	-	-	02	02
Total		26	02	03	09	40

2.5.1. Impact on Residential Structures

53. The residential structures of the 26 households that will be affected have a total covered area of 21401.1sq.ft, of which the affected area is 21326.9sq.ft. Mouza-wise comparison of the total covered and affected areas (**Table 2.5**) shows that all these structures are affected in the range of 97%-100%.

¹ For assessment purpose, the affected structures have been divided into following three categories depending upon the nature of construction and type of material used.

Pacca Structure: T.R girder roof, cement mortar, cement plastering and concrete flooring

Semi-pacca Structure: T.R girder roof, mud mortar, cement plastering and brick flooring

Kacha Structure: Wooden girder, wooden battens, mud mortar, mud plastering and mud flooring

Table 2.5: Mouza Wise Summary of Residential Structures

Sr. No.	Name of Mouza	Houses			
		Total Number of Affected Structures	Total Covered Area (S.ft)	Total Affected Area (S.ft)	Impact Percentage
1	Nowshera	02	1125	1125	100
2	Mallah	01	275.5	275.5	100
3	Dobandi	02	1170.0	1170.0	100
4	DroniMaira	02	3650.20	3576.0	97.97
5	KaluMaira	18	14733.9	14733.9	100
6	Moree	01	446.5	446.5	100
Total		26	21401.1	21326.9	99.66

2.6. LOSS OF WATER RESOURCE INFRASTRUCTURES

54. The project will have impact on 03 water resource structures (boreholes of water pumps). The boreholes are located within the affected houses and meet the domestic water needs of the household. The list of affected water resource structures is provided in **Table 2.6**.

Table 2.6: List of Affected Water Resource Structures

Sr. No.	Village	Name of Land Owner	Type of Asset	Number
1	Mallah	Aksar Khan	Bore Hole	1
2	KaluMera	Shoukat Khan	Bore Hole	1
3	KaluMera	Parwaz Khan	Bore Hole	1
Total				3

2.7 IMPACT ON INDIGENOUS PEOPLE

55. Indigenous people are people defined in international or national legislation as having a set of specific rights based on their historical ties to a particular territory, and their cultural or historical distinctiveness from other population that are often politically dominant. Subsequently, field investigation shows that there are no indigenous people living in the project area. Hence, there is no need to prepare any Indigenous People Development Plan (IPDP).

2.8 IMPACT ON VULNERABLE PEOPLE

56. A detailed income analysis survey (physical survey) was carried out by experts during March-April 2015 to identify the vulnerable DPs from all the project affected villages. The income analysis of displaced DPs indicates that 182 DPs were identified as vulnerable in terms of their monthly income below the Official Poverty Line (OPL) (**Annexure-IV**). **No other vulnerable groups were identified.** The information about their poverty status has been confirmed and verified from the key persons (DPCs) of their relative villages including land staff and physical verification has also been done at site.

2.9 SUMMARY OF IMPACT

57. Within the scope of the project, a total of 5201 DPs are affected, of which 425 have multiple impacts while the other have only land, structures and trees related impacts. These displaced persons have been living here for centuries and have a strong affiliation with the area. Mouza-wise list of DPs with details of impacts are provided in **Annexure-V to XIX**. Out of the total i.e 5201, 5184 are the DPs (losing land, land plus structures, land plus trees & land plus structure & trees) and the remaining 17 are the DPs losing their structures and trees only (**Table 2.7**).

Table 2.7: Summary of Project Impacts

Sr. No.	Mouza	No. of DPs Per Impact									
		Land	Trees	Structures		Land & Structure		Land & Trees	Land, trees & Structures		Total
				DPs	Category/No.	DPs	Category/No.		DPs	Category/No.	
1	Nowshera	615	3	2	School	14	House (2), WR (1)	5	–		634
2	Mallah	216	–			2	WR(1), WB (1)	15	7	House(1)	240
3	Kalu Mera	538	3			70	House (10), W (4)	11	53	House (8)	672
4	Drone Mera	257	–			14	House (2)	11	1	W (1)	283
5	Maqsooda		–			–		3	–		3
6	Toot Mera	94	1			–		6	–		100
7	Dobandi	103	–			–		17	13	House (2)	133
8	Akhone Bandi	485						45			530
9	Mohree	545	1			2	W (2)	29	7	House (1)	583
10	Changee Bandi	714	4			–		56	–		770
11	Bagra	19	–			–		2	–		21
12	Gheba	154	–			–		4	–		158
13	Wazeera	191	3			–		15	–		206
14	Kholyan Bala	231	–			–		11	–		242
15	Langra	597	–					10	2	W (2)	609
Total		4,759	15	2		102		240	83		5184
			17								5184
Grand Total (DPs)		17 + 5184 = 5201									

Key: WR. Water Resource
WB. Water Bore
W. Wall

2.10 REQUIREMENT OF RELOCATION

58. . 26 households will be displaced due to the loss of their residential structures. They will be compensated as per replacement cost, and will construct their house on their own. The owners of these 26 AHagreed during the consultation meeting that they willresettle on their own either on their remaining land or elsewhere. However, in addition to compensation at replacement cost, the project will provide them with additional assistance, as reflected in Section 7 of this LARP.

2.11 CUT-OFF DATE

59. The cut-off date for determining the eligibility of displaced persons for compensation can best be defined at the time of completion of the SIA study. The date is set by EALS/Project office as a part of its implementation program, after consultations with DPs and other stakeholders during the socio-economic survey, census, and consultation meetings at grass-root level. The cut-off date was set by NHA- EALS as November 08, 2013 which was considered final cut-off date for the inventory of losses and DPs census.

60. However, the persons who occupy the area thereafter would not be eligible for compensation or any form of resettlement assistance. Such persons, if any, will be given one month advance notice to vacate the occupied premises and dismantle affected structures prior to project implementation. Their dismantled structures will not be confiscated and the owner will not pay any penalty. Forced eviction will only be considered after all other efforts are exhausted. However, field investigation shows that no of such person exists in the project area.

SECTION 3 SOCIO-ECONOMIC INFORMATION AND PROFILE

3.1 SUMMARY OF SOCIOECONOMIC SURVEY

61. The socio-economic survey was conducted in September - November 2013. A sample survey of 30% households was undertaken, comprising of 10% sample from the entire project area (Package III only) and 20% sample from significantly/severely affected families. The methodology adopted for the survey included focus group discussions (FGDs) with selected households, individual interviews with key informants, and transact walk in the area, which helped the survey team physically observe the socio-economic conditions in the project area. A detailed desk review of project documents and relevant secondary information was also undertaken. A pre-structured questionnaire was used to obtain socio-economic information, the findings of which are presented in the table below:

Table 3.1: Summary of Socioeconomic Survey

S#	Indicators		Number/HHs	Percentage
1	Households surveyed		300	-
2	Literacy level		205	68
3	Main occupations	Working as Laborers	98	33
		Mix of on and off farm activities	52	17
		Small business operators	65	22
		Private employment	64	21
		Govt. employment	16	5
		Working as drivers	5	2
4	Average monthly Income derived from above occupations		Rs. 25105/	
4	Average monthly expenses		Rs.22,113/	
5	Social Amenities	HHs with electricity	300	100
		HHs with access to health	185	62
		HHs with water supply	170	57
		HHs with education level up to 8 years of schooling.	100	34
		HHs connected with natural gas	33	11
6	Types of DPs	Women headed households	Nil	Nil
		Tenant/Sharecroppers/Squatters	Nil	Nil
		DPs under Severance	-	80
7	Gender Dimensions:			
	Awareness about the project		100	100
	Restriction on access and mobility as a result of project construction		100	100

S#	Indicators	Number/HHs	Percentage
	Issues related to compensation rate	30	30
	Women in favor of project	100	100
	Women against the project	Nil	Nil

62. The table above shows that about 68% of surveyed households are literate. Major occupations include a mix of on and off-farm activities (17%), other off-farm professions including working as laborers (33%), small business operators (22%), and private and government sector employment (26%). Average monthly income of the respondents was recorded as Rs.25,105 with average monthly expenditures around Rs. 22,113. As far social amenities and services are concerned, 100% of respondents have electricity, 62% have access to health facilities, 57% have access to water supply, but only 11% have a natural gas connection.

63. Women in the project area actively participate in household decision making except household expenditures. All surveyed women supported the project and perceived that the project will provide a link to nearby markets and serve agrarian land in the area which will lead to an increase in agricultural production. Nevertheless, they raised a few concerns about the implications of road construction for their livelihood activities, household privacy, and mobility of women. They also feared that compensation rates will be less than market rate.

64. **Measures Recommended:** Since the mobility and access of the women will be disrupted due to construction activities, it was suggested that project design should include alternate routes for free movement. Regarding livelihoods, there should be a provision of employment to locals in project activities and initiation of skill enhancement activities to create self-employment opportunities. As far as the compensation is concerned, it should be at par with the current market value of the affected land and other assets.

3.2 DETAILED DESCRIPTION OF SURVEY

65. This chapter provides baseline information relating to the socioeconomic assessment of the project affected people and project area including at macro-level overview. Information has been obtained from available published sources, field surveys in the project area, consultations with stakeholders, and from visits to government departments and other agencies. However, the socio-economic survey for the DPs is being carried out in the field; once it is completed, the information would be incorporated in the final LARP.

3.3 INFORMATION/ DATA COLLECTION METHODOLOGY

66. The LARP has been prepared by collecting data / information from the field. Data / information were collected from primary and secondary sources. Secondary information was gathered from all available documents (District Population Census Reports 1998 of District Haripur and Abbottabad, land folders, from the design consultants and ADB Guidelines on Involuntary Resettlement vide SPS 2009). Meetings were held with the officials of the revenue department and agricultural and irrigation department; feedback from these meetings has also been kept in view for this study. For primary data collection, different types of field surveys and focus group discussions were conducted. The respondents belonged to all walks of life and included resident affectees, passengers, community leaders, key influential persons, women, and farmers.

3.4 IDENTIFICATION OF DPS

67. Any person, whose land, asset / infrastructure, source of income or access to resources/ workplace is likely to be affected by the project's operations, is a Displaced Person (DP). These include mainly the residents, land owners, business operators and owners of assets/structures located within ROW. The total number of such affected families along the project corridor is 5045.

3.5 CENSUS OF DPS/ AND THEIR ASSETS

68. A complete census of DPs, on 100 % basis, is being carried out by using a pre-structured questionnaire shown in **Annexure-XX**. The census aimed to register and document the number and status of DPs likely to be physically displaced or affected otherwise as a result of the project and, therefore, entitled to compensation. The cut-off date was set by NHA- EALS as November 08, 2013 which was considered final cut-off date for the inventory of losses and DPs census. Any person moving into the ROW after this date will not be considered entitled to any compensation. The following features of DPs/ APs are addressed in the census, and findings are mostly reflected in this Land Acquisition and Resettlement Plan Section (2).

- i. Demographic Profile
- ii. Nature of business / occupation
- iii. Type and value of affected land
- iv. Type and value of affected crops
- v. Type of affected trees and their value
- vi. Type and value of affected structures / assets owned
- vii. Replacement costs of affected structures / assets
- viii. Ownership documentation, if any
- ix. Income from affected source and other sources
- x. Vulnerable groups (identified below the poverty line)
- xi. Identification of loss of income sources

3.6 SOCIO-ECONOMIC BASELINE SURVEY

69. As per SPS requirements, a sample survey is being carried out to develop a socio-economic baseline of the general population along the proposed ROW of the Expressway. A sample of 300 respondents including 100 women is selected by applying random technique. For this purpose, the total number of DPs/ is taken as the universe of the sample. A pre-structured questionnaire is used for data collection and survey is conducted in concurrence with the socio-economic section, reflected in the resettlement outline of SPS and all the information will be reflected in the final report. The survey is focused on the following features of the sample population.

- i. Demographic characteristics
- ii. Education and literacy
- iii. Nature of business / occupation
- iv. Income and expenditure pattern
- v. Income analysis and poverty level
- vi. Housing characteristics and amenities
- vii. Women's role in socio-economic life

3.7 DESCRIPTION OF THE PROJECT AREA

70. The project is located in Haripur & Abbottabad Districts of KPK Province. The total area of the Districts is 1725 & 1967 km² (426248 Acres), respectively. Haripur District consists of 02 Tehsils, namely Tehsil Haripur & Tehsil Ghazi, while Abbottabad District serves as its own tehsil. The Haripur & Abbottabad district lies at an altitude of around 610 meters (2,000 ft) & 1220 meters above sea level. The entire alignment of Package-III falls in Tehsil Haripur and Havelian (Abbottabad).

3.7.1 Administrative Setup

71. The administrative setup is just like in any other settled districts in the country, and consists of District Coordination Officer (DCO), Executive Development Officer (Revenue) and District Officer (Revenue). The DO (Revenue) directly looks after the matters of the revenue offices at tehsil level. Each tehsil (sub-division) has a revenue setup consisting of Tehsildar and Naib Tehsildar, who oversee a number of Qanugos. Each Qanugo looks after the work of several Patwaris in their Patwar Circle. The Patwaris stay in their villages and maintain an updated land record of their 'Mouzas'. Haripur tehsil (sub-division) consists of 36 Union Councils, Ghazi tehsil (sub-division) consists of 08 Union Councils, while Abbottabad district consists of 35 union Councils.

3.7.2 Ethnic Clans and Languages

72. The people of Abbottabad & Haripur Districts in the project corridor belong to Jadoon, Gujjar, Malik, Tanoli, Dhund Abbasi, Syed (Sadaat), Awan (tribe), Tareen, Qureshi, Piracha, Mir and Mughals clans. The people of both Districts are known to be brave, hospitable and generous. According to the findings of the sample survey, Hindko is the predominant language of the district and is spoken by more than 70% of the people. Other languages spoken include Urdu, Gojri, Potohari, Pashto and Pahaari. English is also widely used among the educated segment of the local population (Source: DCR, 1998, Haripur & Abbottabad Districts).

3.7.3 Religion

73. The predominant religion in both districts is Islam (99.67% of the population). A negligible proportion of the population belongs to other religions, including Christianity, Hinduism, Qadiani / Ahmadi. The majority of the population likes Islamic traditions and follows the path of Allah and has high moral values.

3.7.4 Family Life

74. Mostly people live with their parents and brothers. Families live in a shared house and share all productive resources such as land, crops, trees and cattle. The internal domestic management and arrangements are in the hands of the oldest woman of the family. She can be a mother, grandmother or wife of an elder brother. The external matters are dealt by the head of the household, a man who can be the father, grandfather or elder brother.

3.7.5 Social Organization

75. Social organization revolves around autonomous Khel (i.e. lineage which is now called caste) wherein all people are blood related and a link from ten to twelve generations makes one Khel. Organizationally, up to this extent, the people physically or financially help each other much more and they stay united against any type of threats. Usually, the elders constitute the Jirga (council of elders) which decides the issues and keep the tribes united. The members of Jirga are not nominated by government but the community recognizes a person as its Malik who dedicates himself to community services and gets recognized by fellow community members and the government agencies. The main roles and responsibilities of a Malik are to resolve conflicts and disputes within the community and representation of the community in a Jirga or at other social platforms.

3.7.6 Industry in Haripur and Abbottabad

76. Haripur District is comparatively more industrialized than other districts of KPK province. There are many big industrial units here like Telephone Industries of Pakistan, NRTC (National Radio Telecommunication Corporation), Hazara fertilizers, Razzaq Blanket Industry, Ali Hussain Poultry, Khwaja Children Home, Pak-China fertilizers, Terbel Cotton Mills etc. Furthermore, the Hattar Industrial Estate situated in Kot Najibullah was established in 1985-86 with a total area of 1,032 acres (4.18 km²) of land. There are around 117 operational units that are mainly composed of food and beverage, textile, crockery, paper printing, chemical, cement, publishing, chemical, rubber and leather products. In addition, the district provides good quality fruit and vegetables not only to Peshawar but also to Islamabad and Punjab. In Abbottabad, cement, woodwork, PVC pipes, wires, and cement pipes are prepared, but there is no remarkable industry available in Abbottabad city.

3.7.7 Trade and Trade Centers

77. Haripur and Abbottabad are the main trading centers of the Project area. All edible and non-edible items are being brought here from Punjab and are further supplied to the interior areas of this district. People generally go to Rawalpindi/ Islamabad for shopping, which is two hours away from Haripur.

3.7.8 Literacy Rate

78. The overall literacy rate in Haripur District is 31.3% and 64.29% in Abbottabad. The female literacy rate in Abbottabad & Haripur District is only 49.44% & 17.35%, compared to male literacy of 78.51% & 44.35%, respectively.

3.7.9 Transportation and Accessibility

79. Abbottabad & Haripur are easily accessible by road from Peshawar and Islamabad. The main road link to the district is the Karakoram Highway (N-35) which passes through the city. Pak-China trade is carried out through this highway. In addition to this, a number of pacca and katcha tracks off take from this road and led to a number of villages and settlements. Major mode of transportation in the Project area includes Mini buses, Cars, Vans, Jeeps, Tractor Trolleys, Passenger Buses and Trucks. Out of all these transportation modes, mainly jeeps, cars and vans are used to travel to settlements along the proposed expressway section. In Abbottabad, the main city and towns are connected with metallic road, since the district is mountainous; rail communication is only up to Havelian and connects with Rawalpindi.

3.8 CHARACTERISTICS OF THE PROJECT CORRIDOR

3.8.1 Description of the Project Corridor

80. Package-III falls in Tehsil Haripur and Havelian and has a total length of 19.1 km. The project corridor starts near Sarai Saleh and ends at MouzaLangra. It passes through 15 rural settlements/ villages, including Gheba, ChangeeBandi, MeraToot, Maqsooda, Mohri, AkhoneBandi, Bagra, Dobandi, KholyanBala, Nowshera, KaluMera, Mallah, Drone Mera, Waziran and Langra, which will be affected due to the construction of this Package.

The project corridor is rural in nature. Besides other natural resources, nature has gifted both districts with huge water resources in the shape of rivers, streams, lakes, springs and underground water. These water resources are sufficient for meeting the requirements of irrigation and drinking. Besides, a number of canals have also been constructed for irrigation purposes, such as Ichhar Canal, Daour Canal, Punjkatha Canal and Khan Pur Dam. The ground water is of good quality and some farmers have installed tube wells to irrigate their lands. Generally, subsistence agriculture is practiced in the area. Wheat and maize are the major crops. According to DCR 1998, out of total 16193 acres from all the 15 mouzas, about 58% is uncultivated and 42% is cultivated. The land use pattern of the villages/ mouzas along the project corridor is provided in **Table 3.2**.

Table 3.2: Land Use Pattern in Villages along the Project Corridor

Sr. No.	Name of Village	Area in Acres	Cultivated Area (Acres)	Un-Cultivated Area (Acres)
1	Bagra	2028	848	1180
2	AkhoneBandi	1133	474	659
3	Gheba	368	154	214
4	Meratoot	76	32	44
5	Mohri	1149	480	669
6	KholyanBala	1593	666	927
7	Do Bandi	602	252	350
8	Nowshera	707	296	411
9	DaroniMera	328	137	191
10	Waziran	616	257	359
11	Mallah	905	378	527
12	KaluMera	919	384	535
13	Langra	4219	1764	2455
14	Shah Maqsooda	432	181	251
15	Changi Bandi	1118	467	651
Total		16193	6770	9423

Source: District Census Report, (1998) for Haripur and Abbottabad

3.8.2 Income from Crops

81. The reported cropping pattern along the project corridor is comprised of wheat and maize crops. Per acre net income from these crops, as provided by the DO (Agriculture) Haripur and validated through socioeconomic survey is Rs. 24000 and Rs. 17600, respectively.

3.8.3 Settlement Pattern

82. The settlement pattern of the Project area is rural except near Sarai Saleh which may be considered semi-urban. The main settlements / villages along the project corridor are connected with other villages and settlements, situated at varying distances from project corridor, by metallic roads and village tracks.

3.8.4 Population

83. According to 1998 district census report, the population of the 15 villages along the project corridor stood at 69719 persons; however, in 2015, the population has increased to 100929 persons comprising 51189 males and 49219 females of both the districts (an annual growth factor of 2.2 & 1.98 has been applied for Haripur & Abbottabad districts, respectively). The number of housing units in 2015 stood at 14922 vs. 6492 in 1998, thereby, yielding an average household size of 6.8 persons. The population of the villages in the project corridor for the year 2015 is provided in **Table 3.3**. The following formula is used for projection of population of villages included in Package-I for the year 2014.

Formula used for projection of population:

$$P_n = P_o (1 + R / 100)^n$$

P_n = Population in required Year

P_o = Population in base Year

R = Annual Growth Rate

n = Number of Year

Table 3.3: Population of Project Corridor – 2015

Districts	Village Name	Population in 1998	Population in 2015			Average Household Size	Household Unit
			Both	Male	Female		
HariPur	Gheba	990	1433	1433	685	7.75	185
	ChangiBandi	8771	12697	6095	6603	6.7	1895
	Meratoot	416	602	282	320	7.4	81
	Maqsooda	12182	17635	8918	8718	6.9	2556
	Mohri	3502	5070	2513	2557	7.2	704
	AkhonBandi	1796	2600	1330	1270	7.2	361
	Bagra	6031	8731	4459	4272	6.5	1343
	Dobandi	2447	3542	1673	1348	7.1	499
Abbottabad	KholyanBalala	15615	22605	12085	10520	6.4	3532
	Nowshera	2005	2903	1294	1608	6.3	461
	KaluMera	1166	1688	843	845	7.1	238
	Mallah	953	1380	709	670	6.3	219

Districts	Village Name	Population in 1998	Population in 2015			Average Household Size	Household Unit
			Both	Male	Female		
	Drone Mera	379	549	259	290	5.6	98
	Wazeera	726	1051	447	604	6.9	152
	Langra	12740	18443	9533	8910	7.1	2598
Total		69719	100929	51189	49219	6.8	14922

Source: DCR, 1998 of Haripur and Abbottabad Districts

3.8.5 Housing Characteristics

84. The number of total housing units in 2015 stood at 14922, comprising of 9699.3 pacca, 746.1 semi-pacca, and 4476.6 kacha units. This is equal to 65% pacca² units, 05% semi-pacca units, and 30% Kacha units. Kacha type of housing units is generally found in rural settlements. However, in semi-urban settlements, a mix of Kacha and pacca houses is found. A high level of social integration is found among the people.

3.8.6 Average Landholdings

85. Land ownership record of the DPs shows that 89% have landholding up to 02 kanals, 4% have between 2 – 4 kanals, 2% have between 4 – 6 kanals, 3% have between 6 – 10 kanals, and 2% have between 10-50 kanals. It is important to mention that there were no big land owners who have landholdings between 50 – 100 kanals or more than 100 kanals. **Table 3.4** shows the landholdings status of respondents.

Table 3.4: Average Landholdings of the Respondents

Sr. No.	Landholding (Kanal)	Percentage %
1	Up to 2	89
2	2-4	04
3	4-6	02
4	6-10	03
5	10-50	02
6	50-100	00
7	Above 100	00
Total		100

Source: Based on the land ownership record of DPs

² The structures types are explained as under:

- Pacca Structure: T.R girder roof, cement mortar, cement plastering and concrete flooring
- Semi-pacca Structure: T.R girder roof, mud mortar, cement plastering and brick flooring
- Kacha Structure: Wooden girder, wooden battens, mud mortar, mud plastering and mud flooring

3.8.7 Education Facilities

86. The project area lacks educational facilities. The institutions for primary and middle level education seem to be functioning satisfactorily but their numbers need to be increased particularly for girl students. High school level education facilities are available only for boys, yet these are insufficient in number. The male students avail these meager educational facilities but the female students remain deprived in this respect, and have no option of getting education beyond Class VIII. This has negative repercussion on the economy of the area. The information collected from the DO (Education), Haripur and Abbottabad in respect of educational facilities in the settlements / villages along the project corridor is depicted in **Table 3.5**.

Table 3.5: Educational Institutions in the Villages along the Project Corridor in 2013

Type of Institution	Number	
	Male	Female
Primary	12	10
Middle	04	02
High	02	01
Inter College	00	00
Total	18	13

Source: DCR 1998, Haripur & Abbottabad

3.8.8 Health Facilities

87. The settlements along the ROW of expressway lack health facilities. At present there are only two civil hospitals, one in Khalabat Township while the other is functioning in village Rehana besides a district headquarters hospital at Haripur & Abbottabad. The other health facilities (institutions) in the project corridor includes 5 Rural Health Centre (RHC) and 39 Basic Health Units (BHUs). The project corridor is lacking in health facilities, especially for women living in the rural areas. Absence of any maternity home or female doctor or nurse in these villages results in complications for female patients. Similarly, the patients have to go to other big cities like Haripur, Islamabad, Peshawar, Abbottabad, etc. in case of emergencies. In addition, transport facilities for shifting patients to cities in case of emergency are lacking. The construction of the expressway will surely help in solving health access problems, particularly for women.

3.9 SOCIOECONOMIC PROFILE OF THE POPULATION

88. The socioeconomic profile of the people of project corridor emerging from the sample surveys is discussed as follows.

3.9.1 Population and Family Size

89. The total population of the study is 100929 persons. The proportion of males and females in the population is 51% and 49%, respectively. The average household size is estimated to be 6.8 with a male to female ratio of 1.08:1. The ratio figures are comparable to the updated 1998 Census figure.

3.9.2 Education Level

90. The literacy rate of DPs is 68%. Out of a total 68,632 literate persons, 20% possess primary level education, 14% middle level, and 23% matriculate level education. The population having education above matriculation level is only 11% (04% possessed Intermediate level education, 06% possessed graduate education, while 01% had master level education). Information on education levels of the sample population is furnished in **Table 3.6**.

Table 3.6: Education Level of Study Respondents

Education Level	Number	Percentage
Primary	20186	20
Middle	14130	14
Matric	23214	23
FA / F.Sc.	4037	4
BA / B.Sc.	6056	6
MA / M.Sc.	1009	1
TOTAL EDUCATED	68632	68
Illiterate	32297	32
GRAND TOTAL	100929	100

3.9.3 Major Occupations of Respondents

91. Major occupations of the respondents included farming, working as general laborers, running small business, shops and hotels, driving and government and private employment. During the survey, efforts were made to interact with people representing all walks of life. Farming with other supporting occupations is done by 29% DPs. The other major occupations include working as laborer (37%), running shops & small businesses (21%), working as employees (04%) and drivers (09%). The average size of holding of the AFs in the project corridor is very small, which is insufficient enough to meet the family's livelihood needs. People are engaged in other income generating activities to support their livelihood. **Table 3.7** showed the occupational status of the respondents.

Table 3.7: Occupations of the Respondents

Sr. No.	Profession	Number	Percentage
1	Farmers	87	29
2	Laborers	111	37
3	Businessmen/ shopkeepers	63	21

Sr. No.	Profession	Number	Percentage
4	Drivers	27	09
5	Employees	12	04
Total		300	100

Source: Socioeconomic survey of the project area

3.9.4 Income Levels

92. The majority of the respondents is engaged in subsistence level agriculture and working as laborers. Their income levels are limited, as revealed by the socioeconomic profile of the project area. From the **Table 3.8**, it is clear that majority of the respondents (39%) fall in the income group of Rs.10,000 – 20,000, 32% belong to income group of 20,000 to 30,000 and 19% of the respondents were earning their monthly income up to Rs.10, 000 while, only 10% respondents have their income levels Rs.30,000 and above.

Table 3.8: Income Level of the Respondents

Sr. No.	Frequency Distribution	Number	Percentage
1	Upto 10,000	58	19
2	10,000 – 20,000	117	39
3	20,000 – 30,000	95	32
4	30,000 and above	30	10
Total		300	100

3.9.5 Expenditure Levels

93. The expenditure pattern in respect of sample population is shown in **Table 3.9**.

Table 3.9: Average Household Expenditure

Sr. No.	Description of Expenditure	Expenses		% of Total
		Per Month (Rs.)	Per Annum (Rs.)	
1.	Food Items	11000	132000	47
2.	Non – Food Items	7500	90000	32
3.	Utilities	2300	27600	10
4.	Occasional Expenses	1000	12000	04
5.	Health Care	1500	18000	07
Total		23300	279600	100

3.10 GENDER ISSUES AND ANALYSIS

94. Secondary information was also reviewed to assess gender situation at the district level. Consultations are being held with female members of the affected families to assess the socio-economic status of women and document gender differences. The gender survey of the DPs was completed in November, 2013. The findings are discussed as under:

3.10.1 Project Impacts on Women's Mobility and Access

95. During consultations, it was noticed that women occasionally travel outside their villages, mostly for visiting doctors, shopping and social events. Very few girls travel for education or to access vocational facilities located in the urban centers. Women were concerned that, during and after road construction, their travel time will increase and their privacy will be disturbed. Moreover, after resettlement and road construction, their social networking will be disrupted and may affect their mobility.

3.10.2 Women's Participation in the Decision making at the Household Level

96. During consultations, it was found that the majority of decisions are taken by both men and women at the household level. However, the decision for women to work outside home is 100% taken by men. This also indicates restricted mobility of women outside the village. Women shared that women's participation in decision making is more encouraged and common in educated families and younger generation. Educated couples believe in sharing and taking joint decisions.

3.10.3 Economic Situation of Women and Project Impacts

97. According to the consultations, women are mostly engaged in on-farm activities, such as working in the fields, managing and rearing livestock. They only work on their own land; hence, they are not economically active or are unpaid workers. They also do embroidery and stitching but only for their personal use or as gifts for relatives. There are no vocational facilities for both girls and boys at the village level where they can improve their skills or get technical education.

3.11 CONFLICT RESOLUTION MECHANISM IN THE PROJECT AREA

98. Generally, local disputes are settled through the Jirga (council of elders). This is an informal but well organized conflict resolving social institution at the local level. At present, this system has been regularized in the prevailing local bodies system. Yet, most of the conflicts and disputes are being settled through the local Jirga. No Jirga exists on permanent basis in the project area; it is convened on need basis in case of issues that need to be resolved. According to the Jirga mechanism, the influential person of the area, a community representative, an elderly person, and local religious leader resolve the reported disputes / conflicts with mutual consensus, after hearing the aggrieved parties. If party / parties are not satisfied with the decision of the Jirga, they are free to lodge complaint at the police station or court of law. Generally, people prefer to settle their disputes through the Jirga to avoid long enmity, wastage of time and money. As reported by the respondents, the decision of Jirga is respected by all the parties (80% of the cases). Sometimes, unresolved issues are referred to the local political influential.

SECTION 4

INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION

4.1 GENERAL

99. The stakeholder's communication policy is based on the principles of transparency, timeliness, participation, and meaningful engagement, and inclusiveness. Means of communication and consultation are to promote participation of those who may otherwise tend to be marginalized such as women, elderly, and the poor. Stakeholder's communication will encompass institutional stakeholders, communities within the project area, and persons directly affected by the project.

100. Participation of stakeholders is essential to reach the objectives of the resettlement policy. It is necessary to write to the communes and inform them of likely impacts from the scheme on environmental and resettlement issues, and request their response. The ADB SPS likewise requires meaningful consultation of stakeholders to involve them in the resettlement process.

101. In order to meet the criteria of meaningful consultation process, the consultation was started from early stages of the project. The consultation sessions with affectees for LARP preparation were carried out during the month of May, 2009 and July 2012. These consultation meetings proved very useful in information sharing and consensus building. Concerns raised during the preliminary village meetings were incorporated in the LARP.

102. The consultation process continued at different time periods to share the latest development interventions in the project and solicit responses from DPs. These consultations were held with a view to share information with the affectees about the latest project development. At this stage, specific objectives of the public consultation were as follows:

- To share fully the information with the affected people about the Package-III of E-35 project, its components and activities, various latest interventions in the project development;
- To share views of DPs about on-going land acquisition and compensation process by the Project office;
- To disseminate the impacts of the project in terms of land acquisition, relocation of infrastructure, people displaced and measures proposed to minimize the resettlement related impacts, entitlements, eligibility and grievance redress mechanisms;
- To obtain the co-operation and participation of the affectees in the resettlement planning and implementation process;
- To ensure transparency in all the project activities through sharing the information; and
- Increase public confidence about the proponent, reviewers and decision makers.

4.2 IDENTIFICATION OF PROJECT STAKEHOLDERS

103. Institutional stakeholders include (i) government agencies responsible for the design, management and implementation of the project, and (ii) state institution, civil society (community based organization and mass organizations), and private sector institutions whose mandates share an interest with the outcomes and/or impact of the project. Communities within the project

area as well as individuals directly affected by the project have a natural vested interest in the effectiveness of project design and implementation as well as mitigation of negative impacts and maximization of project benefits and are primary stakeholders. In the context of this LARP, the primary stakeholders are the displaced persons and any host communities to which those physically displaced may relocate to.

4.3 CONSULTATION WITH THE STAKEHOLDERS

104. In compliance with the participation framework, consultations were held with the stakeholders and general public by the LARP study team. Consultative meetings, scoping sessions and focus group discussions were held to learn about the views and concerns of the public on proposed development works. The concerns raised by the stakeholders were considered in developing the entitlement matrix and resettlement plan, in order to enhance project acceptability among the general public on social considerations. The village-wise consultation summary (**Table 4.1**) is **AnnexedXXI** in the LARP.

Table 4.1: Summary of Consultation with the Stakeholders

Sr. No.	Village / Mouza	Venue	Date	No. Participations
1	Langra Waziran Drone Mera	Mouza Drone Mera	29-03-2015	91
2	AkhoneBandi Maqsooda Mori	Mori (Nisar Khan Hujra)	29-03-2015	79
3	Waziran Drone Mera Langra	Langra (Arif Khan Hujra)	30-03-2015	47
4	Meratoot Gheba Changi Bandi	Dera of Abdul Latif	31-03-2015	51
5	Dobandi Bagra KholyanBala	Zaroof Khan Dera Dobandi	1-4-2015	42
6	KaluMera Nowshera Mallah	Sadaqat Khan Hujra KaluMera	2-4-2015	74
7	AkhoneBandi Maqsooda Mohri	AkhoneBandi Abdul Hameed Khan Hujra	3-4-2015	90

Sr. No.	Village / Mouza	Venue	Date	No. Participations
8	Gheba Changi Bandi Meratoot	Safdar Shah Hujra Mera Toot	4-4-2015	39
9	Dobandi Bagra KholyanBala	Bashir Ahmad Hujra Mouza KholyanBala	5-4-2015	47
10	Nowshera Drone Mera KaluMera	Dera of Mustafa Shah Moza Dorani Mera	6-4-2015	61
11	Mallah Wazera Drone Mera	Dera of Aksar Khan Moza Malla	7 & 8-4-2015	87
12	Changi Bandi Akhone Bandi	Dera of Mr. Azhar Khan moza Mohri	9-4-2015	63

4.4 FORUMS CONSULTED

105. The following forums were used to carry out the public consultations process.

- Consultative meetings held with the general stakeholders
- Scoping sessions held with local communities
- Focus group discussions held with main road users such as drivers, daily travelers, etc.

4.5 APPROACH ADOPTED FOR THE CONSULTATION

106. The public consultation and information disclosure sessions continued up to 9 April 2015 in all fifteen (15) mouzas of Package-III of E-35 Expressway. During the meetings efforts were made to consult the maximum affectees by land & other infrastructure and record their concerns.

107. To hold the meetings, affectees were informed one day before the meeting to assemble on the Dera of local Numberdar (village head man)/representative of each mouza. In addition, announcements about meetings to discuss the resettlement related issues were also made via loud speakers in the mosque of each mouza. The meetings were held in an open and encouraging atmosphere where affectees could express their concerns and views freely.

4.6 INFORMATION DISSEMINATED

108. Following issues were discussed & disclosed to the affectees during the consultation meetings:

- Introduction of the project;
- Description of various project components, its activities and impacts;
- Description of land acquisition process and approval of land prices;
- Description of entitlement matrix developed for the affectees;
- Description of provisions made for the affectees in the LARF;
- Description of criteria of evaluation of buildings and other infrastructure;
- Description of criteria of evaluation of land and trees;
- Basis for determining the rates of land, trees and other infrastructure;
- Compensation framework proposed for the affectees;
- Compensation criteria to be followed for the payment to the affectees;
- Grievances redress procedures;
- Discuss overall land acquisition and resettlement related impacts of the project; and
- Needs, priorities and reactions of the affected people regarding the proposed Project.

4.7 CONCERNS RAISED BY THE PARTICIPANTS AND THEIR ADDRESSAL

109. Due to continuous public awareness campaign and chain of meetings held during the preparation of the LARP since May 2009, the general public appeared to be convinced about the construction and associated benefits of the Expressway. As a whole, public of the mouzas falling within Package-III of the Expressway have a very positive view about the Project and support it. They are happy that after the construction of this 4-lane Expressway, they will enjoy a safer life due to presence of fences and a physical median in the center of road. This will help in reducing accidents. However, they also raised their concerns during the sessions. They also asked questions to get information about various components of the Project. The summary of concerns of DPs (Table 4.2) and their redress is Annexed XXII in the report.

Table 4.2: Concerns Raised by the Participants and their Addressal

Sr. No.	Concerns	Addressal of Concern	Responsibility
Design Stage			
1	Land price should be announced before land acquisition	LAC shall inform to all the DPs about the land rates according to the LAA provisions.	LAC / NHA
2	Without title of land affected persons will be paid compensation	Non-titled affected persons will be compensated in accordance with SPS guidelines.	NHA/ LARP Consultant
3	Underpasses should be provided near the settlements	There is provision of 08 underpasses and 10 bridges in the design. The DPs were informed that the underpasses are proposed on all the existing roads.	NHA/ Design Consultants

4	How the affected trees will be compensated?	DPs were explained that non-fruit trees will be assessed on the type and volume of the trees and its utility in the open market. While fruit trees will be compensated according to the type, present age and productive life span of the trees.	NHA
5	Tenants should be compensated for their crop losses;	Compensation issue to tenant farmers will be addressed in the LARP in accordance with SPS, 2009.	NHA & LARP Consultant
6	What rates will be adopted for compensation to the land owners.	Market rates based on the average year (OwsatYaksala) will be adopted for assessment of land compensation. The Revenue Department has its own mechanism to assess the market rates based on the average year proceeding the year of Section-4. While estimating the average year, the LAC considers the sale purchase transactions for all type of land in each mouza. The average year is calculated from the current transaction of sale-purchase of properties which reflects the current market rate for different categories' of land	LAC & NHA
7	What rates are adopted for the assessment of lost structures	The assessment of affected structures will be made according to the type of structure i.e.pacca, semi-pacca&kacha.	NHA
8	Where from the labour/ workers will be hired during the construction phase.	Local people will be provided employment during construction of the expressway. For this purpose, contractor will be made bound by adding a clause in contract documents to hire the local labor during construction phase. This will be monitored through internal monitors.	NHA & Construction Contractor
9	Fair compensation as per market price should be given to all the DPs.	DPs were informed and assured that market rates will be adopted for compensation for all type of assets such as land, buildings and trees etc. as per LAA provisions. The Revenue Department has its own mechanism to assess the market rates based on the average year proceeding the year of Section-4. While	NHA/LAC

		estimating the average year, the LAC considers the sale purchase transactions for all type of land in each mouza. The average year is calculated from the current transaction of sale-purchase of properties which reflects the current market rate for different categories' of affected land	
Implementation Stage			
10	Where should we contact in case of any complaint/ objection.	NHA representative informed that if any person has any complaint; he can submit his/her complaint in written form to Project Director E-35 office in Jinnahabad, Abbottabad. The GRC has already been notified and functional for complaint resolution.	NHA
11	When payments will be made for the affected asset/ structures.	LAC explained them the payments are going on for the affected land and payments of lost structures will start soon after completing the payments to the land affectees. However, LAC monitors all the mechanism of payments. The payment vouchers are issued to the DPs by Patwari. Overall Project Director is looking after this procedure to make it more transparent and clear.	LAC&NHA
12	The market rates adopted are lower than the prevailing market rates.	LAC elaborated that the Revenue Department has its own mechanism to assess the market rates based on the average year proceeding the year of Section-4. While estimating the average year, the LAC considers the sale purchase transactions for all type of land in each mouza. The LAC cannot go beyond this procedure, which is according to the LAA-1894.	LAC/NHA

4.8 GENDER INVOLVEMENT IN THE CONSULTATION PROCESS

110. According to SPS June 2009, meaningful consultation process is gender inclusive and responsive and tailored to the needs of disadvantageous and vulnerable groups. To interact freely and explore gender related issues, female workers were included in the team composition. Formal meetings with females from the affected communities were held to

explore their needs, problems and priorities related to the project execution. In addition to the formal meetings, individual interviews were also held with the affected women to effectively involve them in the planning process. Consultations with women were also conducted during the updating of the LARP. Details are provided in Annex XXI._

111. Three formal meetings at Mouza Nowshera, Kalu Mera and Dobandi were held with women, in which they participated actively and showed their support for the Expressway project. There was no specific issue reported related to the women during the meetings.

4.8.1 Awareness, Fears and Concerns about the Project

112. It was quite encouraging to record that 100% of the women were aware about the project and majority of them were informed about the size of affected land and compensation received by their male partners.

a) Other Fears and Concerns of Women

- The relocation of affected structures will have a negative impact on their living standards, if proper compensation and relocation/ shifting assistance are not provided.
- Some women were willing to work as laborers during construction activities to add to their family income.
- Passage/ crossing at different locations along the road should not be stopped during civil works of expressway.
- They were concerned with the low rates and feared that with this compensation amount they will not be able to purchase land and build houses in a developed area with basic amenities of life.
- They shared that their lives and routine will be highly disturbed as a result of resettlement and dislocation, and this project has increased uncertainty and stress in their lives. They do not know where and how they will be shifted to a new place.
- They shared that there is no platform or forum at the village level through which they can voice their problems and grievances regarding their losses.

4.8.2 Pressing Needs of the Surveyed Villages Suggested by Women

113. Women from affected families were also inquired by gender consultant about the key needs of the project area as perceived by them. The foremost preferred needs are upgrading of schools, hospital/ dispensary, sui natural gas, vocational training, preference to locals in road construction work and water supply schemes. Due to restricted mobility of women and children, they suggested women friendly grievance mechanisms at the village level to address their concerns - specifically those who are elderly, single or have no male support. Guidance and support to women in preparation of required documents for compensation was also recommended.

4.9 DISCLOSURE OF LARP

114. To keep more transparency in the LARP implementation process and for further active involvement of DPs and other stakeholders, information will be disseminated through disclosure of the LARP document. The booklet summarizing the provisions of LARP has been given to DPs whose land, other assets and incomes are affected by the road project. The objective of

the booklet is to inform the DPs about essential compensation and rehabilitation mechanisms for the project (E-35) as well as basic issues related to the modalities of implementation of the compensation and rehabilitation program.

115. Key features of this LARP have already been disclosed to the DPs during consultation meetings. The following steps will be undertaken for the disclosure of LARP as per provisions of the LARF.

116. Both the draft and updated LARPs have been disclosed to DPs. An information booklet with a compensation summary for different types of DPs has been prepared specifically for this purpose. This information booklet translated into Urdu, have been distributed to all Displaced Persons (DPs) and Affected Person Committees (APCs). It has enabled the DPs to read it by themselves and be aware of their entitlements, unit rates of compensation/income restoration and rehabilitation assistance and relocation assistance, payment procedures available for various types of DPs as given in the 'entitlement matrix', and grievance redress mechanism.

117. After approval by ADB, the final LARP will be translated into Urdu by the NHA and disclosed to the DPs, APCs and other stakeholders by the Project Office through SSMC. It will be disclosed to women through a meeting either by COs or female staff. Both versions of LARP (English and Urdu) will be made available at the offices of Project Director, Contractor, TMA, Revenue Department and Project Office as an official public document. The Final LARP will also be posted on ADB's and NHA's websites.

118. A schedule explaining the date, time and venue for disbursement of compensation cheques for each DP will be prepared in Urdu and distributed to all DPs.

SECTION 5

GRIEVANCE REDRESS MECHANISM

5.1 GENERAL

119. This section presents information and arrangement for addressing conflicts and appeal procedures regarding eligibility and entitlements as well as the implementation of resettlement activities

120. DPs are entitled to lodge complaints regarding any aspect of the land acquisition and resettlement requirements such as , entitlements, rates and payment and procedures for resettlement and income restoration programs. DPs' complaints can be made verbally or in written form. In case of verbal complaints, the committee on grievance will be responsible to make a written record during the first meeting with DPs.

121. For timely resolution of issues, if any, investigate complaints, and make decisions thereto, a gender sensitive Grievance Redress Committee at the project level is notified vide office order No 1(1)/EALS/NHA/2010/HQ/7-10dated 05 March 2011 (attached as **Annexure-XXIII**)and is placed at Project Director's Office at Abbottabad. Although the GRC will be the focal unit for grievance redress at the project level, a two tier grievance redress mechanism is proposed as part of Land Acquisition and Resettlement Plan to facilitate DPs resolve their issues at the village level or raise concerns to NHA HQ level in case of disagreement with GRC decision. Gender representation is ensured at all levels of GRM by inducting female members in the GRCs (Project Level), DPCs (village level), and EALS (NHA HQ level). The grievance redress mechanism will ensure AFs/DPs access to a grievance redress/ resolution mechanism that openly and transparently deals with the grievances and makes decision in consultation with all concerned that are consistent with SPS requirements and local laws.

122. Before invoking formal grievance redress system at the project level, the concerns of the aggrieved DPs will be examined at the village level through involvement of the Affected Persons Committees (DPCs), formed at village level. The grievance officer and social mobilizers of SSMC will, act as focal person in their respective territorial limits to get the grievances recorded, investigated and discussed during DPCs meetings; facilitate the DPCs to propose the remedial actions at their level in accordance with provisions of the resettlement plan and resettlement framework, and coordinate with project implementers and DPCs to ensure that the DPCs' recommendations are implemented and the grievances are addressed accordingly.

5.2 First Level of GRM

123. If the grievance is not resolved at local (village) level it shall be raised to the formal grievance redress mechanism which is first level of GRM. A formal complaint will be tendered with the Project Grievance Redress Committee through Social Mobilizers. Once the complaint is submitted with the Project GRC, it shall be recorded in the complaints register, without delay, and the process of investigation initiated through the committee members headed by project director and consisted of assistant/deputy director of land at PIU, SSMC's grievance redress officer and concerned social mobilizers. The complaint register will be maintained by the assistant/deputy director land in project office assisted by SSMC. The committee will investigate into the complaint, meet the aggrieved person, DPC representatives and the local community and submit its fact finding report and recommendations to the GRC within 7 days of recording of complaint with GRC. After receipt of the fact finding report the GRC will hear the aggrieved

person and decide the complaint based on ground facts but in accordance with the agreed entitlements and provisions in the LARP/entitlement matrix. However, if aggrieved person is not satisfied he/she will be allowed to elevate the complaint to next level of GRM for resolution of his grievances. The GRC will decide the grievances within, 21 days of receipt of complaint in GRC and if the decision is not arrived in stipulated time its reasons will be recorded and the decision will be arrived in next 7 days..

5.3 Second Level of GRM

124. In case of dissatisfaction of DP, he/she will be referred by GRC to the second level of GRM i.e. at EALS in NHA HQ, within 07 days after communication of decision by the GRC. The EALS will acknowledge the complainant about his complaint, scrutinize the record of the GRC, investigate the remedies available, and request the complainant to produce any record in favor of his claim. After thorough review and scrutiny of the available record on the complaint, field visit to collect additional information will be undertaken, if required. Once the investigations are completed, EALS shall get its recommendations approved by Member Engineering and Construction and forward them to the Project Director and the complainant within 15 days of receipt of the complaint. If the complainant is still dissatisfied with the decision, he can go to the court of law, if he/she wishes so. At head quarter level, GRC will be headed by GM Headquarter, SSMC's Resettlement Specialist, Environmentalist, Director Land, and Assistant Director Land.

5.4 Constitution and Function of the GRC

125. The GRC will be established at the project level (Abbottabad) with the primary objective of providing a mechanism to mediate conflict and cut down on lengthy litigation. It will also provide people, who might have objections or concerns about their assistance, a public forum to raise their objections and through conflict resolution, address these issues adequately. The GRCs will continue to function, for the benefit of the DPs, till complete implementation of LARP.

126. The GRC will be headed by the Project Director, E-35. The GRC will have representative from the District Revenue Office, Project Management Unit, aggrieved DP/DPs and/or representatives of DP/DPs, and other interested groups if any. The GRC will meet at least once in a month. Other than disputes relating to ownership rights and against award under the court of law, GRC will review grievances involving all resettlement benefits, compensation, relocation, and other assistance. At least one member from each DPC will be a woman to take part in DPC meetings and GRC meetings. Presently, a grievance redress mechanism has been established in the project established vide Notification No LAC.E-35/NHA/Atd/12/1358 dated 25 April 2012. A Grievance Redress Committee headed by the Project Director (PD) is functioning. Other key officials involved in the process are Director (LM&IS), AD (Land) and LAC and SSMC's grievance officer, as members of the GRC. The grievances are received and responded to by the members of the GRC. There are Displaced Persons Committees (DPCs) that have been set up

5.5 Information Dissemination and Community Outreach

127. In synchronization with the ongoing consultative process, the grievance redress mechanism will also develop a back and forth information dissemination system to inform the DPs about their rights under LAA, 1894, ADB's Social Safeguard Policy Statement 2009, agreed LARF, and approved LARP for the project. The DPs will be informed about the GRM, its

functioning, complaint process to GRC and EALS at HQ, phone numbers and postal addresses of the focal members of the GRM. The GRC will send acknowledgement to complainant DP, inform him about its site visit plan to ensure DP's presence during site visit, and provide update on the progress made to resolve his complaint/grievance. Besides this formal communication, the Safeguard Management Consultants, land acquisition staff and social mobilizers in the field will maintain a close liaison with the DPs and provide them with the requisite information on the GRM and update the DPs about the status of complaints under process with GRC or the EALS, whatsoever the case may be.

5.6 Title Disputes and Court References Against Award

128. Title disputes under the Land Acquisition Act and references against award are beyond the purview of the GRC; hence, all such disputes will be dealt as per provisions of the law. However, the GRM will provide first-hand information to the DPs about their rights and obligations under the statutes and facilitate them to follow the course of law to get their issues/cases resolved or lodge reference against awarded compensation if the DPs desire so.

Table 5.1: Grievance Resolution Process

Steps in the Grievance Resolution Process
Each village will be assigned a social mobilizer from SSMC 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 and functioning of a Displaced Persons Committee (DPC) 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 and grievance redress officer of SSMC 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, headed by the project director. 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 LAC and any concerned NHA official at PIU level 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 LARF.
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, Resettlement Specialist of SSMC at PIU level, 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 presented before GRC at NHA's Headquarters (EALS) decision within 15 days in consultation with Member Engineering and Construction and Project Director.
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.

Steps in the Grievance Resolution Process
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Throughout the grievance redress process, ensure that special attention is given to receiving and addressing the concerns of women and other vulnerable groups.

SECTION 6

LEGAL AND POLICY FRAMEWORK

6.1 GENERAL

129. This section describes national and local laws and regulations that apply to the project, identifies gaps between local laws and ADB's policy requirements, discusses how any gaps will be addressed, describes the methodology for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods, and describes the land acquisition process and proposes a schedule for meeting key procedural requirements.

6.2 LEGAL FRAMEWORK

130. The existing law and regulations on land acquisition and resettlement are described as under:

6.2.1 Pakistan's Law And Regulations on Land Acquisition and Resettlement

131. The 1894 Land Acquisition Act (LAA) with its successive amendments is the main law regulating land acquisition for public purpose. The LAA has been variously interpreted by local governments, and some provinces have augmented the LAA by issuing provincial legislations. The LAA 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. The LAA mandates that land valuation is to be based on the median rate over the past 1 year, from the issue date of section-4. Due to widespread land under-valuation by the Revenue Department, current market rates are now frequently applied with an added 15% Compulsory Acquisition Surcharge as provided in the LAA.

132. 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 or Khyber Pakhtunkhwa (KPK).

133. The LAA does not openly mandate for specific rehabilitation/ assistance provisions benefiting the poor, vulnerable groups, nor does it overtly provide for rehabilitation of income/livelihood losses or resettlement costs. This, however, is often done in many projects through adhoc arrangements negotiated between a specific EA and the DPs.

134. 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 6.1. 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 6.1: Salient Features of the LAA 1894 and Successive Amendments

Key Sections	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 APs 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 APs 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 ³	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 ⁴	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, APs 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 for the owners for acquired land is determined at its market value 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

³ Khyber PakhtoonKhaw (KPK), Land Acquisition Act amendment Notification No. Legis:1((2)71/II/4258 dated August 22, 2001

⁴ As above

Key Sections	Salient Features of the LAA 1894
	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 for 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.

6.2.2 KPK Rules (Amendments In LAA-1894)

a) **The North-West Frontier Province Land Acquisition (Amendment) Act, 1986 (19 March, 1987)**

135. According to this amendment Section 48A, after Section 48 is added in the LAA, 1894, which states that “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 consequences of the delay”.

b) **The Land Acquisition (North-West Frontier Province Second Amendment) Act, 1972. N. W. F. P. Act No. IV Of 1972 (Peshawar, The 23rd June, 1972)**

136. In the said Act (1894), mainly in section 31, for sub-section (1), the following sub- section substituted –

“(1) When the Collector has made an award under section 11-
(a) If the person interested entitled to compensation under the award accepts the award and intimates his acceptance in writing to the Collector before the expiry of the period prescribed in sub-section (2) of section 18 for making an application to the Collector for referring the award to the Court, or if the period specified in sub-section (2) of the said section for making an application to the Collector for referring the award to the Court has expired and not such application or reference has been made, the Collector shall, before taking possession of the land, tender payment of the full amount of compensation awarded by him to the persons entitled thereto according to the award, and shall pay it to them unless prevented by some one or more of the contingencies mentioned in sub-section (2);

(b) If the person interested entitled to compensation under the award objects to the award and an application has been made to the collector under sub-section (1) of section 18 for referring the award to the Court, the Collector shall, before taking possession of the land, tender payment of the compensation awarded by him or the estimated cost of acquisition of such land as determined by the Collector of the district under sub-section (1) of section 17, whichever is less, to the person entitled thereto under the award and shall pay it to them unless prevented by some one or more of the contingencies mentioned in sub-section (2):

Provided that no payment under clause (b) shall be made until the person entitled to compensation furnishes to the satisfaction of the Collector a security of refund of the amount, if any, which may subsequently be found to be in excess of the compensation awarded to him by the Court.”

c) The North-West Frontier Province Guidelines For The Implementation Of The Land Acquisition Act (Modified Up To 1992) Pre-Emption Act, 1987 (28th April, 1987)

137. These guidelines consist of 36 various amendments in the form of different Clauses. The review of main clauses is given below:

Clause	Amendment
	According to this amendment “A property acquired by the Federal or a Provincial Government or a local authority in pursuance of any law shall not be pre-emptible-
24	Plaintiff to deposit sale price of the property:- (1) In every suit for pre-emption the Court shall require the plaintiff to deposit in such Court one-third of the sale price of the property in cash with such period as the Court may fix;
25	Where a Court passes a decree in favour of a pre-emptor on payment of a price which is in excess of the amount already deposited by the pre-emptor, the Court shall require to pre-emptor to deposit the remaining amount within thirty days of the passing of the decree.
26	No sum deposited in or paid into Court by a pre-emptor under the provisions of this Act shall, while it is in custody of the Court, be liable to attachment by any Civil, Criminal, Revenue or any other Court or a Revenue Officer or a local authority.
27	. (1) Where in the case of a sale the parties are not agreed to the price at which the pre-emptor shall exercise his right of pre-emption the Court shall determine whether the price at which the sale purports to have taken place has been fixed in good faith or paid, and if it finds that the price was not so fixed or paid, it shall fix the market value of the property as the price to be paid by the pre-emptor.
28	For the purpose of determining the market value of a property, the Court may consider the following, among other matters, as evidence of such value— <ol style="list-style-type: none"> 1. the price of value actually received or to be received by the vendor from the vendee; 2. the estimated amount of the average analytical net profits of the property; 3. the value of similar property in the neighborhood; and 4. the value of similar property as shown by previous sales made in the near past.
30	Any party to a proceeding under this Act may, in addition to, or instead of, an advocate engage an Alim who is qualified as such from a Deeni Madrasah approved by the Provincial Government for this purpose

Clause	Amendment
31	<p>The period of limitation for a suit to enforce a right of pre-emption under this Act shall be one hundred and twenty days from the date—</p> <ol style="list-style-type: none"> 1. of the registration of the sale deed; or 2. of the attestation of the mutation, if the sale is made otherwise than through the registered sale deed; or 3. on which the vendee takes physical possession of the property if the sale is made otherwise than through the registered sale deed or the mutation
32	<p>(1) The Registrar registering the sale deed Or the Revenue Office attesting the mutation of a sale shall, within two weeks of the registration or attestation, as the case may be, give public notice in respect of such registration or attestation.</p> <p>(2) The notice under sub-section (1) shall be deemed sufficiently given if it be struck Up on the main entrance of a mosque and on any other public place of the village, city or place where the property is situated: Provided that if the property is situated in a city, the notice shall also be given through a newspaper having large circulation in such city.</p>
33	<p>Matters ancillary or akin to the provisions of this Act which have not been specifically covered under any provision thereof shall be decided according to Shari'ah.</p>
34	<p>The provisions of the Code of Civil Procedure, 1908 (Act V of 1908), and the law on evidence in vogue shall, mutatis mutandi, apply to the proceedings under this Act</p>
35	<p>1. In the cases and appeals filed under the Law referred to in subsection in which judgments and decrees passed by the Courts have become final, further proceedings if any relating to such cases and appeals, shall, notwithstanding the repeal of such law be governed and continued in accordance with the provisions there of.</p> <p>2. All other cases and appeals not covered under sub-section (2) and instituted under the law, referred to in sub-section (1) and which immediately before the commencement of this Act were pending before a Court shall lapse and suits of the pre-emptors shall stand dismissed, except those in which right of pre-emption is claimed under the provisions of this Act.</p>
36	<p>Government may, in consultation with the Council of Islamic Ideology, by notification in the official Gazette, make such rules as it may consider necessary to carry out the purposes of this Act.</p>

6.3 ADB'S INVOLUNTARY RESETTLEMENT SAFEGUARDS

138. 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; determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks;
- ii. Carry out meaningful consultations with affected persons, host communities, and concerned non-government 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;
- iii. Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- iv. Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- v. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.

- vi. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- vii. Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- viii. Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- ix. Disclose a draft resettlement plan 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.
- x. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- xi. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- xii. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

6.4 COMPARISON OF KEY LAA (1894) AND ADB POLICY PRINCIPLES AND PRACTICES

139. Differences between Pakistan Land Acquisition Act (LAA) and ADB Policy on resettlement are outlined in **Table 6.2**. 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 and also the 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 6.2: Comparison of LAA and ADB's SPS 2009

Pakistan's Land Acquisition Act, 1894	ADB Involuntary Resettlement Policy
Government does not have a national or provincial policy on resettlement and rehabilitation of affected persons.	ADB Safeguard Policy Statement encompasses principles on the environment, resettlement and indigenous people.
Land compensation only for titled landowners or holders of customary rights.	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.
Only registered land owners, share croppers and leaseholders are eligible for compensation of crop losses.	Crop compensation is to be provided irrespective of the land registration status of the affected farmer/ share cropper. Crops for two seasons Rabi (winter) and Kharif (summer) for full one year are to be compensated based on existing market rates and average farm produce per unit area
Tree losses are compensated based on outdated officially fixed rates by the relevant Forest and Agriculture Departments.	Tree losses are to be compensated according to market rates based on productive age or wood volume depending on tree type. The entire removed tree will remain the property of the owner for them to salvage.
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 over the last one year prior to acquisition commencing is applied.	Land valuation is to be based on current replacement (market) value with an additional payment of 15%. The valuation for the acquired housing land and other assets is the full replacement costs determined on the basis of the fair market values of land or assets covering the developmental costs, transaction costs and other applicable payments that may be required.
The valuation of structures is based on official rates with depreciation deducted from gross value of the structure and also 15% of the value of salvage materials.	The valuation of built-up structures is based on current market value but with consideration of cost of new construction of the structure, with no deduction for depreciation but the APs allowed to take the salvage material free of cost.
The decisions regarding land acquisition and the amounts of compensation to be paid are published in the official Gazette and notified in accessible places so that	Information related to the quantification and valuation of land, structures, other immovable assets, entitlements and amounts of compensation and financial assistance are to

Pakistan's Land Acquisition Act, 1894	ADB Involuntary Resettlement Policy
the people affected are well informed.	be disclosed to the displaced persons prior to project appraisal period.
There is no provision for income restoration and rehabilitation measures. There are also no special allowances for the displaced poor and other vulnerable groups including women. There are no requirements to assess opportunities for benefit sharing.	The ADB Policy requires rehabilitation for lost income and special DP expenses during the relocation process. There are also provisions to be made for transitional period costs and livelihood restoration. It also require to improve the standard of living for displaced poor and other vulnerable DPs, including women to at least national minimum standards by providing access to legal and affordable housing, land and income generating resources.
Prepare and disclose Resettlement Plans (RPs). There is no law or policy that requires preparation of RPs.	Resettlement Plans are prepared and disclosed.
Grievances redress is established through the formal land acquisition process at a point in time or through appeals to the court.	Provide mechanisms that are accessible locally and available throughout project implementation.
Only compensation is paid but not resettlement allowances, there is no mechanism to ensure payment is made before displacement.	All compensation and allowances to be paid prior to physical or economic dislocation.
No requirements to prepare and disclose monitoring reports.	Prepare and disclose monitoring reports.
No requirement for Project Completion Report (PCR), to report against completed resettlement.	PCR required.

6.5 REMEDIAL MEASURES TO BRIDGE THE GAP

140. Key gaps— such as cut-off date, eligibility criteria, and compensation to non-titled persons, compensation at replacement cost, relocation assistance and assistance for income restoration - have been identified. To reconcile these gaps between existing practice and ADB's SPS 2009 guidelines, NHA has prepared a LARF for the Project. This will ensure that compensation is provided at replacement cost for all direct and indirect losses so that no one is worse off as a result of the project. The AFs that may be relocated, vulnerable, or who have suffered business losses have been provided with necessary allowances, as per LARF and ADB SPS (2009) provisions.

6.6 ADB's Safeguard Policy Update 2009

141. The SPS 2009 policy objectives and principles governing land acquisition and resettlement is discussed to avoid involuntary resettlement wherever possible, and to minimize

involuntary resettlement by exploring project and design alternatives. The following principles are applied to reach this objective:

- 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. **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.
- v. **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.
- vi. **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

6.7 LAND ACQUISITION PROCESS

6.7.1 Initiation Of Land Acquisition Process

142. The process of land acquisition for the E-35 project covering all sections was initiated with the finalization of the present road alignment by NHA, preparation of design by Design Consultant in August 2009, and its physical marking on the land.

6.7.2 Issuance of Section-4

143. Section-4 in respect of 15 mouzas falling under of Package-III was announced on 12-02-2010.

6.7.3 Issuance of Section-5

144. It is a formal confirmation of Section-4 by the collector. This section is issued within one year after notification of Section-4. Section-5 in respect of all the mouzas of Package III was issued by the collector on 12-07 2010.

6.7.4 Issuance of Section 5a and Deposit of Land Costs

145. Section-5a is issued after one month of announcement of Section-4. It invites complaints from owners, particularly about the correctness of land details of the individuals. The owners are invited through issuance of formal notice. Before issuance of this notice, the demand for the cost of land is made to NHA by the LAC on the basis of “yaksalaowsat” price (last one year’s average price as per LAA requirements). For this purpose, the LAC requests the DO(R) for the provision of last year’s average price on the basis of mutations register. Upon its receipt from DO (R), the LAC requests the PD to deposit the estimated amount in the treasury on the basis of this average price so that the Section-5a may be issued.

6.7.5 Issuance of Corrigendum To Section-4

146. The khasra numbers as announced (U/S-4) are verified according to the land plan and the concerns of the land owners (U/S 5A). If excess land is included in the section-4 notification, the LAC issues a corrigendum to section-4, where required. Similarly, the concerns of land owners are addressed by the LAC. These are generally about land prices and land measurements. If any objection relating to land measurements is found valid, a corrigendum to section-4 to this effect is made. The objections are addressed in the presence of the complainant and to his satisfaction.

6.7.6 Announcement of Section-6

147. Section-6 is announced by the Collector after one month of the announcement of Section-5a. It contains the details of khasra numbers and land to be acquired. Its copies are distributed to the concerned authorities. Copies are sent to the Tehsildar of relevant tehsil who sends it to the Patwari of the village for its wider publicity among the affected people through public announcements. The dates of issuance of Section-6 indicate that Section-6 has been announced 1–2 years after the announcement of Section-4 in respect of different mouzas.

6.7.7 Issuance of Notices U/S 9 And 10

148. After 15 days of issuance of notice U/S-6, proceedings under Sections 9 and 10 were started. Notices were issued by the LAC containing details of land as notified in U/S-6. The interested persons were required to appear before the Collector at a specified date and location to record their concerns, if any. Each DP was provided chance to explain his views and concerns. The collector explained to them the details of the land to be acquired and the unit price of various land types. They were briefed that in case they are not satisfied with the prices, they can go to the court of law for the rectification of price anomalies and other complaints regarding the Awards. The DPs were facilitated by providing them the documents related to calculation of average year (owsatyaksala) for different categories of land. This procedure will be monitored through internal monitoring reports by NHA.

6.8 SEQUENCE OF ACTIVITIES FOR LAND ACQUISITION, LARP PREPARTION AND ITS IMPLEMENTATION

149. The land acquisition process and disbursement of payments under land awards is an interrelated activity with LARP preparation and its implementation. For a clear and transparent land acquisition process, the following sequence of activities as described in Table 6.5 is to be ensured by NHA.

150. The requisite process of land acquisition, LARP preparation and its implementation is summarized in **Table 6.3**.

Table 6.3: Schedule for Land Acquisition and LARP Preparation Activities

Step	Activity	Responsibility	Compliance in Case of E-35
1	Preparation of Final Design	Design Consultants	Done.
2	RoW marking and collection of land details	LAC, NHA/ Design Consultants	Done
3	Due Diligence of LA process and payments.	ADB	In process
4	Notification of Section-4 and completion of land acquisition process with the announcement of Land Awards	NHA, DOR,/ LAC	Partially Done. The land has been acquired.
5	SIA, Census, LAR impact inventory with extent of loss to each DP prepared, compensation entitlements finalized	NHA and Consultants	Done
6	Preparation of draft LARP and submission to ADB for review and clearance	NHA	Done
7	Institutional arrangements put in place for LARP implementation	NHA	<p>Compensation disbursement under progress but without institutional set up. The procurement teams of ADB and NHA are working in close liaison to hire the SSMC firm. EOI and ToRs have been finalized in this regard. The process may consume 3-4 months, in the meanwhile, the NHA has deputed its staff to fully engage in the implementation of SPS 2009 as an interim arrangement.</p> <p>Moreover, various committees/ formations are in place to monitor the LAR process and address grievances of the affectees of land acquisition as per the ADB's policy and national laws e.g. GRC,</p>

Step	Activity	Responsibility	Compliance in Case of E-35
			APLC, LARU and DRC.
8	Review by ADB and clearance	ADB	Done
9	Distribution of executive summary of LARP and notices to receive compensation to the APs	PD/ NHA	Done
10	Payment of compensation according to the procedure provided in the LARP	LAC/ PD, NHA	Payments underway.
11	Taking over of possession of RoW free from all encumbrances	LAC/ PD, NHA	Not yet started. The possession of land will be taken after payment of all the allowances as per SPS 2009

6.9 ON-GOING PROCESS FOR DISBURSEMENT OF COMPENSATION

151. The disbursement of compensation to the DPs is in progress for Package III of E-35. The amount is disbursed to the DPs/APs by the LAC. No other Project functionary participates in the payment process. LAC is disbursing the payments, with the PD, Director (L&S) and A.D (L&S) monitoring all Land Acquisition and disbursement process.

152. A team comprising of LAC, Quanoogo and 02 Patwaries is carrying out the disbursement task. As a first step, the announcements are made in the relevant village/ area before one day of the scheduled visit of the disbursement team. People are asked to come to a specified place (generally prominent place in the village) along with their NICs and land ownership documents to receive their compensation.

153. On the specified date, the LAC with his staff holds a meeting. The Patwari identifies the DP as per his NIC and fard-e-malkiat issued by revenue office and takes his signatures on the acquaintance roll and affixes his thumb impression, which is mandatory.

154. After this activity, the voucher is prepared by Quanoogo. The voucher includes details about affected land with land types and the compensation costs, as per acquaintance roll. DP signs the voucher. The thumb impression of the DP and his NIC number on the voucher is mandatory. Two witnesses also sign the voucher with their NIC number. Then LAC signs the voucher. The DP is asked to receive the voucher after two days because it is to be sent to NHA head office for the confirmation of payment voucher by the Director (Land), EALS.

155. The voucher is handed over to the DP on the specified time and date. A copy is kept in the record.

156. The DP brings this voucher to the District Account Office. This office after confirming the identity of the voucher bearer with two witnesses, issues a cross cheque to the DP of his amount payable from National Bank of Pakistan, Haripur & Abbottabad.

157. The DP deposits this cheque in his account in a bank and the amount is transferred to his account.

158. The vouchers for trees and assets are issued separately by the LAC.

6.9.1 Receipt Of Compensation Under Protest (Section-18)

159. The LAA provides that if a person, in spite of proceedings under sections 5a, 9 and 10 is not satisfied with the Award in any way, he is allowed to go the court of law for the rectification of his grievances. For this purpose, he is required to receive the Award amount under protest. He records his protest on the acquaintance roll at the time preparation of payment voucher. The LAC facilitates the DPs by providing them the documents related to their owner ship deeds, compensation amounts and calculation of average year (owsatyaksala) for different categories of land. Presently, none of the complaint is received by the PIU/LAC, though the GRC is at place.

CHAPTER 7

ENTITLEMENTS, ASSISTANCE AND BENEFITS

7.1 GENERAL

160. This section defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures in terms of an entitlement matrix; identifies and documents the DPs who will be eligible for transitional livelihood support if compensation payments for land are delayed for six months; specifies all assistance to vulnerable groups, including women, and other special groups; and outlines opportunities for displaced persons to derive appropriate development benefits from the project.

7.2 COMPENSATION ELIGIBILITY

161. Eligible for compensation, relocation and livelihood rehabilitation entitlements are persons who were on the project land prior to the cut-off date and 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;

162. Vulnerable persons include DPs (in local context) with per capita incomes at or below the official poverty line. 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.

163. 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

A. Agricultural land

164. The agriculture land (partially or fully affected) will be compensated at full replacement cost including fair market value and all transaction costs, such as applicable fees and taxes and other applicable payments (as in SPS, SR 2, para 10). Qualified and experienced land valuation expert will determine the replacement cost. If the compensation determined by the Board of

Revenue (BOR) is found to be less than the full replacement cost, NHA will pay the price differential to the DPs.

165. **Non-titled users of agricultural land** without traditional rights/squatters losing informal use of agricultural land will be provided with an income rehabilitation allowance in cash equal to the net market value of yearly harvest income based on relevant cropping pattern and cultivation record (additional to standard crop compensation); compensation for any irrigation infrastructure and other improvements made to the land (but not for the land) at full replacement cost, and other appropriate rehabilitation to be defined in the LARPs based on project situation and DP consultation.

166. **Leaseholders or tenants on government land:** will be entitled to either renewal of the lease in other plots or cash compensation equivalent to the market value of net yield of the affected land for the remaining lease years (additional to standard crop compensation), up to a maximum of three (03) years.

167. **Sharecroppers** will share the crop compensation with the landowner based on the sharecropping contract. Compensation in cash will be equivalent to the market value of the gross yield of lost harvest according to crop compensation (if impact is temporary); plus one (01) additional crop compensation (if the land is lost permanently).

168. **Agricultural labourers**, with contracts to be interrupted, will be provided with compensation equal to their salary/daily wage or minimum wage/official poverty line (OPL) whichever higher.

B. Residential, commercial, public and community land:

169. 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.

170. 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.

C. Temporary occupation of land

171. 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.

D. Structures

172. For the partial loss structure/percent of the total of a residential, agricultural, commercial, public and community structure or its alteration (taking into account 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, labour, 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.

173. 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.

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

175. 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 labour, materials, transport and other incidental costs, as required, without deduction of depreciation for age.

E. Crops

176. The owner cultivators will be paid crop compensation in cash at the full market rate for one year's agricultural income both Rabi (pease, wheat) and Kharif (maize) harvests. The land award includes one season's crop compensation. An additional crop compensation for the

kharif season's in cash for the same year on rotation basis would be paid as crop loss allowance to bring it at one year level.

F. Trees

177. 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.

G. Transport Allowance

178. 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 labour, vehicle hire, fuel and incidental costs. A lump sum amount of compensation (covering all items mentioned) will be provided to the DPs.

179. Compensation eligibility with the cut-off date was established as November 08, 2013.

7.2.1 Owners of Land

180. The owners (5184 DPs) of agricultural land (including cultivable and un-cultivable) have been paid according to the rates in the land awards (2009-10 yearly average rates), free of taxes, registration and transfer costs, as per provisions of LAA. The DPs have been paid an additional 15% compulsory acquisition surcharge (CAS), free of taxes, registration and transfer costs. The rates for different categories of land are provided in Table 6.3 in Section-6 of the LARP.

7.2.2 Owners Of Houses/ Residential Structures

181. The owners of houses with significant impacts are entitled for the following compensation:

- In case the structure cannot be built on the remaining space of the affected house, full compensation for the total covered area of the house at replacement cost basis.
- One time paid house rent for 06 months @ Rs. 6,000 ($6000 \times 6 = \text{Rs. } 36,000$) for acquiring a residence during the construction period as transitional allowance.
- Livelihood Allowance equal to 3 months of inflation adjusted OPL ($1942.66 \times 6.6 \times 3 = 38,465$).
- One time paid Transportation Charges/ Shifting Allowance of Rs. 15,000 on lump sum basis.
- Additional allowance equal to 3 month of inflation adjusted OPL to the vulnerable ($1942.66 \times 6.6 \times 3 = 38465$).

7.2.3 Relocation Assistance for Rehabilitation

182. The NHA has no space available of equal economic importance / value along the project corridor to accommodate the owners of affected structures. The DPs were consulted during consultations about their relocation strategies. They were of the view that they have no land in the nearby vicinity and they will find land with the financial support provided by the NHA for their lost structures. This process will take a considerable time, and during this period these DPs will need livelihood support.

183. For unskilled and semi-skilled tasks during construction, the vulnerable groups will be given priority for project-related employment opportunities. To this end, civil works contract will have a clause making it binding for the contractor to hire locals and DPs as appropriate. The compliance to this effect will be regularly reported in the Internal Monitoring Reports.

184. The owner cultivators will be paid crop compensation in cash at the full market rate for one year's agricultural income both Rabi (Pease, wheat) and kharif harvests (maize). The land award includes one season's crop compensation for Rabi crop. An additional crop compensation of kharif harvest for the same year on rotation basis as crop loss allowance would be paid to the DPs to bring it at one year level.

7.2.4 Entitlement Matrix

185. Based on the above discussed eligibility criteria and compensation entitlements and keeping in view the nature of losses and implementation issues of the proposed project, an Entitlement Matrix (EM) has been prepared and provided in the Table 7.1 below.

Table 7.1: Entitlement Matrix

Type of Loss	Application	Definition of DPs	Compensation Entitlements
Land, including cultivable land and uncultivable wasteland	All land losses irrespective of impact severity	Owner (Legal/legalizable) (5184No. DPs), whose land is required for the project.	<ul style="list-style-type: none">• Cash compensation at current market value/ full replacement cost plus 15% CAS, free of taxes, of registration and transfer costs;• Additional payment equal to the inflation rate, if the payment is delayed for 06 months after the announcement of land awards under LAA.

Residential/ commercial land	Owner of each AH	Owner (legal/legalizable) 26 houses(26 owners)	<ul style="list-style-type: none"> • Cash compensation at replacement cost plus 15% compulsory acquisition surcharge (CAS) free of taxes, registration and transfer costs; • Additional payment equal to the inflation rate, if the payment is delayed for 06 months after the announcement of Awards under LAA. • Allowance for new electricity connection/charges of Rs. 40,000 per HH and total Rs. 1,040,000/- for 26 HH.
Community and miscellaneous structures		Owner of the Structure (14No.Dps)	<ul style="list-style-type: none"> • Cash compensation at full replacement cost for affected structures and other fixed assets, free of salvageable materials, depreciation and transaction cost and also transportation cost. Fees and taxes (if applicable) will be waived. • Livelihood allowance equal to 3 months of inflation adjusted OPL. • Rs. 40,000 for expenses on utility at new premises.
Livelihood Allowance	All DPs losing residential structures	Residential structure owners and incomes (26 No. Owners)	<ul style="list-style-type: none"> • Livelihood allowance equal to 3 months of inflation adjusted OPL.
Crops	Affected crops	Cultivator of crop (2,559 No. DPs)	<ul style="list-style-type: none"> • Crop compensation in cash at the current market rate for one year's agricultural income (both rabi and kharifharvests).

Trees	All affected trees	Owners (390 No. DPs)	<ul style="list-style-type: none"> • Fruit trees: compensation to reflect income replacement as assessed by Agriculture department based on market value of annual produce, projected for number of years the tree can potentially produce fruit. Compensation to be paid as announced in the land awards. • Timber trees: trees grown and/or used for timber. The compensation is to reflect the market value of tree's wood content, based on the unit rates as provided by the Forest Department. Compensation to be paid as announced in the land awards.
Relocation/ Transportation Assistance	All owners losing residential structures	DPs to be relocated- Owners of residential structures (26 No. owners)	<ul style="list-style-type: none"> • One time paid in lump sum, an amount of Rs. 15,000 in case of household and Rs. 10,000 for shop structures as transport allowance to shift the materials of affected structures.
Vulnerability Allowance	All DPs below OPL	All DPs with low income, below OPL (182 No.DPs)	<ul style="list-style-type: none"> • Additional Cash allowance equivalent to 03 months of inflation adjusted OPL. • Priority in project related employment, ensured through bidding document.
Unidentified Losses	Unanticipated Impacts	All DPs	<ul style="list-style-type: none"> • Dealt with as appropriate during sub-project implementation according to the ADB Policy.

CHAPTER 8

RELOCATION, REHABILITATION AND INCOME RESTORATION

8.1 GENERAL

186. The objectives of income restoration program is to restore the long term income generating capacity of affected DPs, to improve livelihoods of vulnerable DPs ,and to mitigate short term income losses that may be experienced through subsistence support measures. DPs experiencing severe impacts on their productive assets or livelihoods will be entitled to participate in the income restoration program. The forms and levels of income restoration assistance vary and will be commensurate with the duration, level and severity of impacts on livelihoods and productive assets as well as vulnerability of the affected persons.

187. The planning of the income restoration program for the severely affected displaced households will be done as a joint undertaking of the executing agency, relevant district offices and the DPs, and will commence during the updating of LARP, following approval of detailed engineering design. The income restoration program will adopt an approach that will address the immediate needs and sustain the long-term rehabilitation of all severely affected displaced households.

8.2 RELOCATION OF APs

188. NHA has no space available of equal economic importance/ value along the project corridor to accommodate the owners of the affected structures. As a result, 26 owners of affected houses have to relocate their residences to another location in the same vicinity. The relocation strategy was discussed in detail with the owners of the affected houses during consultation process. The owners of the houses showed their willingness to relocate themselves to a new place at their own. They will rebuild their structure on their own as per their convenience by purchasing land in the same vicinity available to them. In view of this limitation, the following relocation strategy has been adopted.

- In addition to the compensation for the partially affected structures at replacement cost, further rental assistance (as transitional support) for 06 months @ Rs. 6,000 per month has been provided. The owners will be given 01 month advance notice for vacation of affected structure at the time of payment of compensation amount. The details of compensation payments for each type of construction along with allowances have been provided in **Annexure-XXIV**. The owners of 26 residential structures will get shifting allowance, utility allowance, rent allowance and vulnerability allowance in case they are indicated vulnerable, per capita income below poverty.

8.2.1 Additional Assistance for/Vulnerability

189. DPs below the poverty line will be provided with the cash amount of Rs. 38,465 (equal to 03 month amount of inflation adjusted OPL). As indicated in the physical income analysis survey, the number of vulnerable DPs comes to 182.

8.3 INCOME RESTORATION OF DPs

190. The project envisages the construction of expressway by acquiring 60m RoW. All livelihood and income restoration activities will be implemented as given in the entitlement matrix. The following constitutes the income restoration strategy for this project for DPs who suffer livelihood losses. There will be a proper mechanism to monitor the LARP implementation process, as indicated in Section 12. Monitoring reports will be produced periodically and in case of non-compliance, the implementing agency will be informed for prompt corrective action.

8.3.1 Livelihood Support Intervention Measures

191. The different categories of affected livelihood are identified with appropriate income restoration measures based on the SPS (2009). Other specific measures, as needed, will be developed in detail during the preparation of the updated resettlement plan in consultation with the displaced persons, local authorities, mass organizations, resettlement committee and PMU. Specialists in the field of resettlement, livelihood development and gender will also provide support to the PMU to establish details of appropriate income restoration measures in consultation with those affected and project stakeholder to incorporate in the updated resettlement plan.

192. For long term strategy, the focus would be on the following activities:

- Conduct of vocational skills training to fully avail job opportunities that will be generated by the project as well as link it to market demand for possible job referral and placement, and requirements from nearby industrial factories.
- Enhancing food security program to ensure food sources and income through provision of seeds and farm inputs for DPs to cultivate in their remaining agricultural land.
- Linking livelihood support for vulnerable DPs with income below poverty line with existing Benazir Income Support Program implemented by the federal government for poverty reduction and livelihood enhancement.

193. However, for the short term, there is provision of livelihood allowance for all AFs whose livelihoods are affected @ Rs.12821 per month for the period of three months. 26 households owners are entitled for livelihood allowance. The detail of these allowances is provided in Annexure-XXIV.

8.3.2 Special Measures to Support Vulnerable Groups

194. All vulnerable DPs of working age will be entitled to participate in any training course. Priority assistance will be provided in terms of loan assistance, and other forms of support to augment their income.

195. Vulnerable DPs will get additional assistance of Rs.38465 in case their income fall below official poverty line.

SECTION 9 RESETTLEMENT BUDGET AND FINANCING PLAN

9.1 GENERAL

196. This section provides the indicative compensation estimates for land acquisition, building structures and rehabilitation of the affectees. Efforts were made to work out realistic cost estimates/values that lead to fair compensation to DPs, based on current market rate. For this purpose, concerned Government Departments i.e. Building, Forest, Revenue and Agriculture were consulted; subsequently, market surveys were carried out in order to obtain the market based unit rates to be paid to the DPs for affected land and assets.

9.2 COMPONENTS OF THE RESETTLEMENT AND REHABILITATION COST

197. Total resettlement and rehabilitation cost is Rs. 500,457,724 (500.457 million). The budget for the LARP is financed by the Government. The Resettlement Committee is responsible for the disbursement of compensation, allowances and assistance funds. Total land and land based assets/structures falling in the active ROW have been identified and listed. House structures or buildings partly affected (less than 20% of the total structure) would be compensated accordingly, as per the entitlement matrix, keeping in view the functional viability of affected structures. In case the affected part of the building structure is substantial (more than 20% of the total structure) and becomes of no use to the owner, the owner would have to be compensated fully. In addition to this resettlement and rehabilitation costs for DPs as well as the cost of private assets have also been estimated. The compensation cost for various types of land and land based assets will be updated during implementation if needed.

9.3 COMPENSATION COSTS (CC)

198. The compensation cost (CC) includes the cost of land, building structures/houses, forests and fruit trees, crops, transitional period assistance and shifting charges for the DPs falling in the ROW.

199. Quantification of all these items is made based on the data collected through physical measurements conducted in the field. These building structures and houses have been categorized based on construction material used. Various categories of commercial units are quantified along with their calculated cost. Quantities and costs have been developed in consultation with the relevant department.

200. Resettlement Budget will be revised and updated as part of the process of updating the resettlement plan. Revision of the Resettlement budget will include updating replacement cost, revised costs based on finalized income restoration program and inclusion of any resettlement cost not anticipated in the preparation of the draft LARP.

9.4. METHODOLOGY FOR DETERMINING VALUATION AND COMPENSATION RATES AT REPLACEMENT BASIS

201. All compensation will be based on the principle of replacement cost. The rate of compensation for acquiring housing, land and other assets will be calculated at full replacement cost, and based on the following requirements: (i) fair market value; (ii) transaction cost; (iii)

interest accrued; (iv) transitional and restoration costs; and (iv) other application payments, if any.

202. The executing agency 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 other related information. The executing agency will also collect baseline data on housing, housing types, and construction materials. 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. However, the rates used are based on the replacement cost basis. To determine, whether the rates adopted are comparable to replacement cost or not, an independent land valuation study (LVS) was carried out by an independent consultant (NESPAK, Colliers) during June 2015. LVS findings validated the rates adopted as replacement price of the affected land. The procedures used for valuation of land and land based assets are as follows:

9.4.1. Unit Rates of Land

203. The land for the expressway is acquired as per Land Acquisition Act. 1894. The Section-4 for all the 15 mouzas falling in the alignment of the expressway was announced in February 2010. As per provisions of the LAA, the unit value of land is based on the last year's average of sale/ purchase in the affected villages/mouzas, as per revenue records. The unit rates for land of different types for the year 2009-2010 were assessed and endorsed by the District Officer (Revenue), Haripur. The same were adopted by the LAC in the land awards. The unit rates of land as applied in the land awards for the affected mouzas for different type of land are provided in Table 9.1. These market rates are based on the annual average in the year preceding Section-4. While estimating the average for the year, the LAC considers the sale/purchase transactions for all type of land in each mouza. The LAC cannot go beyond this procedure, which is based on LAA1894. The average for the year is calculated from the current transaction records of sale/purchase of properties, which reflects the current market rate for different categories of land.

Table 9.1: Mouza wise Unit Rates According to Land Type Used by LAC in Land Awards (Rs/ Kanal)

Sr. No	Mouza	Bagh	Chari Abi	Chari	Kund Abi	Kund	MeraAbi	Mera	Rakkar	GhairMazrooa/Kanal	Baheer De Abi	BarangerAabi	GherMumkin	Baari	B. Qadeem	Dhaka Rakh	Mewadar
1	Dobandi	637962		637962		98148		80292.8	98148	24537	196296	98148	24537	246611			
2	Malah									5735.2							
3	Akon Bandi	186377.6				25758		25758	8586	4235.8		51516	4235.8				
4	Gheba					114720		76480	38240	19120							
5	Nowshera									4120							
6	Maqsooda	1002864	1002864							16714.4							
7	Wazeran							58908.6	32727	6545.4				255271			
8	DaroniMera							39375.4	25478.2	23.16.2				182980			
9	KaloMera							59760	33200	6640				232400			
10	KholianBala									17501.8		210021.6	17501.8		17501.8	17502	
11	Changi Bandi	454341.6	454341.6	40387	25240	25240	20194	20193.6	10096.8	2524.2		75720.6			2524.2		
12	Mera Toot	674609.6	674609.6					48186.4		12046.6							
13	Langra					439776		439776	175910	29318			29318	1377965			
14	Mohri	1283724	1283724					85582	42791		427908	427908	21395			21395	
15	Bagra	1860500									372100						

Source: DO (R), Abbottabad & Haripur

9.4.2. Unit Rates Of Houses/ Buildings/Structures

204. Houses/ buildings falling within the RoW, as per final design of the expressway, have been assessed by the Project Office engineering staff through Detailed Measurement Survey (DMS). During the survey, different types of building structures were identified and classified into three categories, *Kacha*, *Pacca* and *Semi Pacca*⁵, keeping in view the type of materials used in the construction of these structures. The Sub Divisional Officer (SDO), Roads, Haripur, Communication and Works (C&W) Department, Government of KPK was approached by the Project Director, E-35 to provide unit rates of these construction types for the assessment of compensation. The SDO vide his letter dated 20-08-2011 (copy attached as **Annexure-XXV**), provided the rates as depicted in (**Table 9.2**). The rates have been used by the LAC in the land awards for structures. The owners of structure are allowed to take the salvaged material of their structures and no depreciation has been charged.

Table 9.2: Unit Rates of Structures

Sr. No.	Type of Structure	Unit	Rate (Rs.)
1	Pacca Construction	Ft. ²	950
2	Semi Pacca Construction	Ft. ²	700
3	Kacha Construction	Ft. ²	500
4	Brick Masonry Wall	M ³	4584.44
5	Stone Masonry Wall	M ³	3558.67
6	Concrete Blocks Masonry Wall	M ³	2532.90

Source: C & W Department, Haripur

9.4.3. Unit Rates of Crops

205. The cropping pattern along the project corridor is comprised of wheat, maize and peas. Per acre net income from these crops, as provided by the DO (Agriculture), have been used by the LAC in the land awards for compensation of affected crops.

9.4.4 Unit Rates Of Trees

206. The affected fruit and non-fruit trees in the ROW have been assessed in the land awards by the LAC as per rates (of 2010 level) provided by the DO (Agriculture). The fruit trees have been compensated based on annual net product market value per tree for a period of 5 years. This period is required to grow a new plant of same species to the age of production. Privately owned non fruit trees are compensated at a cost equivalent to market price of timber and fuel wood available from each tree. The entire removed tree will remain the property of the owner for them to salvage.

9.5 COST OF LAND

207. The total cost of land acquired for the construction of Package-III is estimated at Rs. 365,511,668 (365.511 million), which includes 15% compulsory land acquisition charges and 2 % District Council Tax. Village-wise summary of land price is given in Table 9.3.

⁵ For assessment purpose, all the structures were divided into following three categories depending upon the nature of construction and type of material used in the project area.

Pacca Structure: T.R girder roof, cement mortar, cement plastering and concrete flooring

Semi-pacca Structure: T.R girder roof, mud mortar, cement plastering and brick flooring

Kacha Structure: Wooden girder, wooden battens, mud mortar, mud plastering and mud flooring

The detailed cost is attached as Annexure-I. All funds for land acquisition have been transferred to the respective treasuries (Revenue Department) and disbursement is under progress.

Table 9.3: Mouza-wise Summary of Cost of the Affected Land

Sr. No.	Name Of Mouza	No. of Land Affectees (DPs)	Affected Land (Kanal)	Compensation (Rs.)
1	Nowshera	634	206.30	850,039
2	Mallah	240	78.00	5,140,735
3	KaluMera	672	154.15	7,002,212
4	Drone Mera	283	112.20	3,554,504
5	Maqsooda	03	5.90	5,275,900
6	Toot Mera	100	14.90	4,315,619
7	Dobandi	133	163.027	10,452,197
8	AkhoneBandi	530	197.95	30,194,760
9	Mohri	583	186.60	153,362,210
10	Changi Bandi	770	363.75	28,469,519
11	Bagra	21	32.25	15,125,865
12	Gheba	158	78.35	5,043,856
13	Wazeera	206	143.00	4,612,545
14	KholyanBala	242	124.50	3,218,580
15	Langra	609	205.90	35,784,594
Total		5184	2066.78	312,403,135
15% Compulsory Land Acquisition Charges				46,860,470
Land Price				312,403,135
2% District Council Tax				6,248,063
Grand Total (Rs.)				365,511,668

208. Land falling in the Right of Way (ROW, 60m strip) is generally agricultural, arid in nature, and used for different purposes by the locals. Its unit price varies from location to location and according to its fertility. The factors considered in calculating the unit price of land has already been discussed above in this section.

9.6 BUDGET FOR CROP COMPENSATION

209. The affected land owners have been provided crop compensation for affected land on the basis of gross income from crops based on one year's harvest (summer and winter crops). For cost purposes, wheat, maize and green peas are considered as basecrops and the rates based on the average yields of these base crops are adopted. The current rates and average yields of these crops are obtained from Agricultural Officer, District Haripur and Abbottabad. Crop compensation is given below in Table 9.4 (Annexure-I).

Table 9.4: Mouza-wise Summary of Cost of the Affected Cropped Area

Sr. No.	Mouza	Affected Cropped Area (Kanal)	No. of DPs	Crop Compensation (Rs.)		Total Crop Compensation (Rs.)
				1st Crop	2nd Crop	
1	Nowshera	0	0	0	0	0
2	Mallah	54.25	157	162,750	59,675	222,425
3	KaluMera	62.95	313	137,941	94,425	232,366
4	Drone Mera	57.1	69	122,984	85,650	208,634
5	Maqsooda	5.25	3	11,550	7,875	19,425
6	Toot Mera	14.8	96	32,560	22,200	54,760
7	Dobandi	40.65	75	121,950	44,715	166,665
8	AkhoneBandi	163	357	358,600	244,500	603,100
9	Mohri	132.249	434	396,746	145,473	542,219
10	ChangeeBandi	330.65	608	991,950	363,715	1,355,665
11	Bagra	30.15	21	90,450	33,165	123,615
12	Gheba	68.25	65	150,150	102,375	252,525
13	Wazeera	59.85	127	131,670	89,775	221,445
14	KholyanBala	5.40	23	11,880	8,100	19,980
15	Langra	80.50	211	338,100	120,750	458,850
Total		1105.049	2559	3,059,281	1,422,394	4,481,674

210. The amount for cash compensation of affected crops is **Rs.4,481,674(4.481 million)**.

9.7 COST FOR THE AFFECTED STRUCTURES

211. While proposing construction of Package III of the E-35 Expressway, a total of 40 structures, comprising of 26 houses, 09 miscellaneous structures, 03 water sources and 02 community structures will be removed from the ROW (60m). Depending on type of structure, the compensation cost is Rs. 22,127,287 (22.127 million). DPs of these houses would also be allowed to take their salvage material. Moreover, no depreciation cost was considered while estimating structure prices. The detailed cost estimation for affected structures is attached as Annexure- XXIV.

Table 9.5: Mouza Wise Summary of Cost for Various Type of Affected Infrastructure

Sr. No.	Name of Mouza	Residential Structure (No.)	Community Structures (No.)	Water Resources Structures (No.)	Miscellaneous Structures (No.)	Total Cost (Rs.)
1	Nowshera	2	2		1	5,567,332
2	Mallah	1		1	1	358,529
3	Dobandi	2				585,000
4	DroniMaira	2			1	3,741,757
5	KaluMaira	18		2	2	11,290,115
6	Moree	1			2	499,163
7	Langra				2	85,391
Total		26	2	3	9	22,127,287

9.8 COST OF THE AFFECTED TREES

212. A total of 8318 trees (including fruit & non-fruit trees) and 13414.5 maunds of firewood would be cut, belong to 390 DPs. The valuation of compensation for both types of trees is based on their market values. For wood and fruit trees, unit prices are obtained from Forest and Agriculture Departments, Haripur District, who assess the prices every year based on market rates. The rates adopted for various categories of trees are attached as Annexure-XXV. The cost of fruit & non-fruit trees along with applicable unit rates is calculated at the village level on the basis of types and volume measurements (in case of forest trees), and present & productive age (in case of fruit trees). A cost summary for both types of trees is given below in Table 9.6(a) and 9.6(b).

Table 9.6(a): Summary Cost of Non-Fruit Trees Sr. No.	Mouza	No. of Trees	Compensation of Non-Fruit Trees (Rs.)	Compensation of Firewood (Rs.)	Total Compensation (Rs.)
1	AkhonBandi	202	476,360	271,400	747,760
2	Bagra	21	60,201	17,000	77,201
3	Changi Bandi	389	913,481	156,800	1,070,281
4	Dobandi	73	85,905	124,200	210,105
5	DroniMaira	0	0	62,400	62,400
6	Gheba	11	16,609	25,000	41,609
7	KaluMaira	9	52,975	681,000	733,975

Table 9.6(a): Summary Cost of Non-Fruit Trees	Mouza	No. of Trees	Compensation of Non-Fruit Trees (Rs.)	Compensation of Firewood (Rs.)	Total Compensation (Rs.)
Sr. No.					
8	KholiyanBala	52	194,320	84,000	278,320
9	Langra	11	52,755	622,000	674,755
10	Mallah	6	20,615	123,000	143,615
11	Maira Toot	37	78,899	11,500	90,399
12	Mohri	183	279,327	160,400	439,727
13	Nowshera	3	6,100	189,400	195,500
14	Shah Maqsood	42	96,360	0	96,360
15	Wazeera	0	0	142,400	142,400
Total		1039	2,333,905	2,670,500	5,004,405

Table 9.6(b): Summary Cost of Fruit Trees

Sr. No.	Mouza	No. of Trees	Compensation of Fruit Trees (Rs.)
1	AkhonBandi	619	1,116,630
2	Bagra	208	174,695
3	Changi Bandi	2521	1,569,420
4	Dobandi	127	379,305
5	DroniMaira	25	16,875
6	Gheba	N/A	N/A
7	KaluMaira	93	144,140
8	KholiyanBala	N/A	N/A
9	Langra	N/A	N/A
10	Mallah	5	4,475
11	Maira Toot	107	194,205
12	Mohri	3341	2,178,740
13	Nowshera	4	8,660
14	Shah Maqsood	229	322,890
15	Wazeera	N/A	N/A
Total		7279	6,110,035

213. The total budget for cash compensation of trees is Rs. 11,114,440 (Rs. 11.114 Million) including Rs. 2,333,905 and 2,670,500 for non-fruit trees & fire wood (Table 9.6a) and Rs. 6,110,035 for fruit trees (Table 9.6b).

9.9 LIVELIHOOD ALLOWANCE FOR THE AFFECTED HOUSEHOLDS

214. There is provision of livelihood allowance for families to support them during the transition period. There are a total of 26 households owners whose residential structures are affected. The livelihood allowance is given to these affected house owners for the transition period of 3 months. The total budget provision for the livelihood restoration allowance is Rs. 1,000,090 (1.0 Million).

9.9.1 House Rent Allowance

215. There is a provision of house rent allowance for those with affected houses to support them during the transition period (6 months). 26household will be entitled for house rent allowance. The total budget provision for the house rent allowance is Rs.936,000 (0.936 million) @ Rs. 6000/ month for each household.

9.9.2 Transportation/Shifting Allowance

216. 26 DPs whose residential structures are affected will need support for shifting of household goods and usable raw material by transportation to their new place. Therefore, a provision ofRs. 390,000 (0.390 Million)has been made to this effect.

9.9.3 Utility Allowance

217. 26 DPs whose residential structures are affected will need electricity connection at their new place of shifting. Therefore, a provision has been made for new electricity connection/chargesto the tune ofRs. 1,040,000 (1.04 Million).

9.9.4 Vulnerability Allowance

218. There are a total of 182 vulnerable DPs who will be paid vulnerability allowances, as per the Entitlement Matrix (EM), equal to Rs. 7,000,266 (7.0 million).

Table 9.7: Budget for Vulnerable DPs

Sr. No.	Vulnerable HH	Number	Proposed Months	Unit Allowance (Rs. 12,821/month)	Total Amount (Rs.)
1	DPs with low income	182	3	38463/-	7,000,266
Total		182			7,000,266

9.10 MONITORING AND EVALUATION

219. Monitoring and evaluation of LARP implementation process will be required through proper setup of internal and external monitoring arrangements. For this purpose, a sum ofRs.20,680,071 (20.68 million) (5% of the total cost) are provided in the budget estimate.

9.11 ADMINISTRATIVE COST

220. Provisions for administrative cost for the implementation of the are made in the budget @ 1% of the total cost i.e. Rs.4,136,014 (4.136 million).

9.12 CONTINGENCIES

221. Contingencies cost amounting to Rs. 62,040,214 (62.04 Million) @ 15% of the total cost has been added in the budget to cover unforeseen items which may be required during implementation of LARP.

9.13 TAXES

222. There is not any taxable item in the compensation package for the affectees; therefore, no federal or provincial taxes will apply.

9.14 SUMMARY OF BUDGET

223. The total requirement of funds for compensation payments, restoration and rehabilitation measures is Rs. 500,457,724 (500.457 million), which is given in Table 9.8 below. However, the cost will be revised once the land ownership record and impact assessment survey is finalized.

Table 9.8: Summary of Cost

Sr. No.	Description	Quantity / Total Number	Unit	Unit/Rate	Total Cost	Rs.
				(Rs.)	(Rs.)	(Million)
A	Land Acquisition Mandatory Cost					
1	Land Compensation	2066.78	Kanal	Various	312,403,135	312.40
	Add 15 % Compulsory Land Acquisition Charges				46,860,470	
	Add 2% District Council Tax				6,248,063	
					365,511,668	
						365.51
2	Crop Compensation (One year 2 Crops)	1105.05	Kanal	Various	4,481,674	4.48
3	Structure & Miscellaneous Assets Compensation					
	Residential Structures	26	No.	Various	16,332,737	16.33
	Community Structures	2	No.	Various	4,765,432	4.77
	Water Resources Structures	3	No.	Various	289,276	0.29
	Misc Structures*	9	No.	Various	739,842	0.74
					22,127,287	22.13
4	Trees Compensation					
	Fruit Trees	7279	No	Various	6,110,035	6.11
	Non Fruit Tress	1039	No	Various	2,333,905	2.33
	Firewood	13414.5	Maund	Various	2,670,500	2.67

Sr. No.	Description	Quantity / Total Number	Unit	Unit/Rate	Total Cost	Rs.
				(Rs.)	(Rs.)	(Million)
					11,114,440	11.11
	Sub Total (A=1+2+3+4)				403,235,069	403.24
B	Allowances					
5	Livelihood Allowance					
	Household	26	Family	38,465	1,000,090	1.00
6	House Rent Allowance					
	Household	26	Family	36000	936,000	0.94
					936,000	0.94
7	Transportation/Shifting Allowance					
	Household	26	Rs.	15000	390,000	0.39
					390,000	0.39
8	Utility Allowance					
	Household	26	Rs.	40000	1,040,000	1.04
					1,040,000	1.04
9	Vulnerability Allowance					
	Vulnerable DPs	182	Family	38,463	7,000,266	7.00
					7,000,266	7.00
	Total (B=5+6+7+8+9)				10,366,356	10.37
	Sub - Total (A+B)				413,601,425	413.60
C	Monitoring and Evaluation @ 5% of the Total Cost				20,680,071	20.68
D	Administrative Cost @ 1% of the Total Cost				4,136,014	4.14
E	Contingencies @ 15% of the Total Cost				62,040,214	62.04
	Total (C+D+E)				86,856,299	86.86
	Grand Total(A+B+C+D+E)				500,457,724	500.46

SECTION 10 INSTITUTIONAL ARRANGEMENTS

10.1 INSTITUTIONAL REQUIREMENT

224. The compensation/resettlement/rehabilitation program described in this LARP involves distinct agencies. These include NHA as the EA, Provincial Board of Revenue, the concerned district governments and ADB, as detailed in the next sections.

- National Highway Authority, Pakistan
- Environment, Afforestation, Land and Social Wing in NHA HQ.
- Project Management Unit (PMU)/ Project Implementation Unit (PIU)
- Social Safeguard Management Consultant (SSMC)

10.2 NATIONAL HIGHWAY AUTHORITY (Executing Agency)

225. NHA has overall responsibility for land acquisition and resettlement and rehabilitation including preparation, implementation and financing 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 project activities at subproject level.

226. NHA has established a special wing, Environment Afforestation Land and Social (EALS) to manage all safeguards related aspects of NHA's projects. Within the PMU, LAR will be managed by EALS ADB LAR Cell to be established under the leadership of the General Manager GM (EALS). The GM EALS shall be the convener of the ADB LAR Cell which shall include i) Programme Manager ii) Resettlement Specialist iii) Gender Specialist, iv) Monitoring and Evaluation/Management Information System Specialist, and v) Deputy Director Land Management. The Program Manager & Deputy Director Land Management will be from the NHA staff and will be considered as SSMC's counterpart staff to work under the leadership of GM EALS. The ADB LAR Cell will be directly monitored by GM EALS (NHA) through the Program Manager both at PMU & PIU levels.

227. At PIU level, the LAR will be managed through Social Safeguard Management Consultant (SSMC) working under technical supervision of the ADB LAR Cell and in close coordination with the Land Acquisition Collector, PIU technical staff and the local revenue officers to ensure timely delivery of compensation to DPs and implementation of LARP provisions compliant to SPS (2009) requirements. However, keeping in view capacity constraints and issues in hiring staff conversant with ADB Safeguard compliance requirements and hands-on experience in LARP preparation, implementation and monitoring, the technical expertise as Resettlement Specialists, Gender Specialist, Grievance Redress Specialists, M&E/MIS Specialists both at PMU and PIU levels shall be provided by a consulting firm to be recruited as Social Safeguard Management Consultants to support NHA (EALS) for managing the LAR issues of subprojects under this MFF.

10.3 SOCIAL SAFEGUARD MANAGEMENT CONSULTANT (SSMC)

228. A domestic firm experienced in social and community development with proven capacity and experience in social safeguards will be recruited as a Social Safeguards Management Consultant (SSMC). The SSMC will be responsible for providing expert support to EALS' ADB LAR Cell at NHA HQ level, and the PIUs. The teams will be responsible for capacity

development, review, update, social safeguards implementation support and monitoring. Furthermore, the teams will facilitate implementation, establishment and management of grievance redress mechanisms, MIS maintenance, information dissemination, disclosure and consultations, and preparation of reports including internal monitoring and progress reports on a monthly, quarterly and annual basis. The field teams will work closely with the PDs and respective GM E-35 and report to the SSMC team leader. The SSMC team leader will report to the General Manager (EALS) ADB LAR cell through the program manager and to ADB.

229. The SSMC team at EALS and PIU teams at the project will be responsible for providing overall support to NHA (EALS) in review, preparation, implementation and monitoring of LARPs and other safeguard documents including preparation of progress and internal monitoring reports on ADB financed projects. Staff will be required to move within PIUs as guided by the GM EALS, the Program Manager and the SSMC Team Leader.

230. The EALS SSMC staff will be responsible for overall quality control, preparation of formats for monitoring, including questionnaires, coordination with the respective design and procurement teams and supervision consultants. The team will develop a functioning MIS and protocols for grievance management, build capacity of EALS and orientation of NHA staff through hands on training and co-work in consultation with senior management of EALS and other wings of NHA. Also, review of NHA's internal coordination for integrating social safeguards in routine business operations and document recommendations for improvement will be a key task.

231. At PIU level, the SSMC will provide the technical support in implementation of LARPs, including but not limited to updating of LARPs (if required), disclosure and information dissemination, public consultation and grievance redress management, support PIU to finalize compensation claims and delivery of compensation payment to DPs, database management and development of management information system, monitoring of LARP implementation progress and preparation of internal monitoring reports including corrective action plans (if required) in consultation with SSMC Team leader.

10.4 ADB LAR Cell (SSMC support in EALS, HQ Level)

232. At PMU level in EALS, an ADB LAR cell headed by GM EALS will be established, comprising of the technical experts provided by the SSMC and counterpart staff from NHA. The SSMC shall provide i) Resettlement Specialist (SSMC Team Leader), ii) Gender Specialist and iii) M&E/MIS Specialist. The counterpart staff from NHA shall include a Manager Programme and Deputy Director Land Management. The PMU (EALS based ADB LAR Cell within NHA-HQ) for projects under this MFF, shall have technical oversight over the SSMC teams deployed in each PIU and will have a coordinating function for all land acquisition and resettlement for all subprojects.

- a. Some specific tasks of the ADB LAR Cell 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.

- b. Ensure that the LARP preparation consultants must include all the DPs along with the details of property held by them – for e.g. land, structures, trees, crops, shops, etc. Preparation of LARP shall be strictly by the LARF mutually prepared by NHA and ADB.
 - i. Coordinate 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 LARP, 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.
 - ii. Ensure that land acquisition activity after publication of Section 4 is followed by updating land records and land price assessment reflective of current market rates. In coordination with the provincial governments, the EALS ADB Cell shall participate in meetings for Land Price Assessment Committees and ensure that adequate and just price compensation is determined to replace all lost assets at current market value.
 - iii. Ensure timely disclosure of project design alignment and land acquisition notifications issued by the LAC under the LAA to all DPs in accessible places and in a format and language that is easily understood by DPs, and facilitate meaningful consultation with all DPs on the information disclosed by the LAC/Revenue Department.
 - iv. 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 and contact information of the focal person.
 - v. Send letters containing relevant LAR information to the Consular's and Numberdar (village heads).
- c. Internally review the LARPs, coordinate with ADB in review and approval of LARPs, and ensure timely disclosure of approved LARPs on NHA Website as well as disclosure/translation of Summary LARPs in local language to DPs.
 - i. Review the LARPs submitted by the consultants to ensure that these are in compliance to the LARF before submission to ADB;
 - ii. Coordinate with ADB in review and approval process, respond to the comments/queries, and provide clarifications in a responsive manner for early and timely approval of LARPs ; and
Ensure disclosure of approved LARPs on NHA website and translation of summary LARPs in local language to DPs (including women).

10.5 SSMC at PIU LEVEL

233. Under the technical guidance of EALS ADB LAR Cell, the SSMC team deployed at PIU level will be responsible for managing day to day implementation of the LARP in close coordination with the GM Project/Project Director and his technical staff. The SSMC shall mobilize: i) Resettlement Specialist (team leader at PIU level), ii) Grievance Redress Specialist, iii) M&E/MIS Specialist and iv) Social Mobilizers. The counterpart support from NHA shall include Land Management Specialist and other support staff. The SMC technical experts will work in close coordination with the GM Project/Project Director and other technical staff including, Land Acquisition Collector (LAC) deputed by the Revenue Department, District

Revenue Authorities and other revenue staff (for e.g. Patwaris, Qanoongo etc.). In addition, the SSMC team, especially Social Mobilizers, will have close liaison with the DPs to disseminate updated information about LAR provisions, time and procedure for disbursement of compensation, consultations and grievance redress mechanism, as well as support DPs in processing of the compensation claims and compensation delivery.

234. Some specific tasks of the PIU-based SSMC team will include the following:

- a. To Update the approved Final LAR (if required)
 - i. Prepare monthly, quarterly and annual reports on LAR implementation for furnishing to PMU at EALS ADB LAR Cell and ADB/PRM;
 - ii. Facilitate and support EALS ADB LAR Cell at HQ to identify and assess impact type, category and severity for each DP on the basis of final design and value lost assets at full replacement cost.
 - iii. Update full census of DPs (gender disaggregated) linked with impact type category and severity, and prepare compensation packages for each DP on the basis of agreed unit rates and provided entitlements criterion.
 - iv. Organize, conduct and record meaningful consultations with DPs.
 - v. Support PIU and EALS with disclosure and information sharing with DPs on land acquisition process, eligibility and entitlements of DPs, serve notices for hearing and inquiry, and mobilize the DPs to participate in the land acquisition process and Award
 - vi. Facilitate and support the LAC throughout the land acquisition process by extending support in office and field including surveys, measurements, inquiries, complaints handling and response, and documentation of the 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 valuation as per agreed provision under Final/approved LAR for consultation with DPs.
 - vii. Staff of PIU LARU shall participate in meetings of District Price Assessment Committee (DPAC).
 - viii. When required, update the Final/approved LAR based on final design/any changes in the design, and coordinate with EALS ADB LAR Cell at HQ Level in review and approval from ADB.
- b. To implement Resettlement Plans
 - i. Verify data on DPs (gender segregated); prepare, issue, and distribute identity cards for each non-titleholder DPs category.
 - ii. Translate summary of approved LAR in local language with all necessary information for DPs; ensure its disclosure (separately to men and women) through formal and informal means in close coordination with revenue department, PIU and other line departments; and document this process to avoid/reply to future complaints in this respect.
 - iii. Place posters containing information regarding asset valuation, unit rates, time and schedule of payments etc. in 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.

- v. Send letters containing relevant LAR information to the Consular and Numberdar (village heads), in addition to disclosing LAR information to the DPs in regular consultation meetings in the field.
- vi. Submit copies disclosure documents to GM (Project), PD PIU and EALS ADB LARCell at HQ for onward sharing with ADB.
- vii. Ensure that all field visits and consultations with DPs (separately for men and women) 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 support in office and the field during preparation of claims and issuance of compensation vouchers and cheques. This includes coordination with DPs, NHA and district land revenue authorities involved in disbursement of compensation.
- ix. Mobilize and facilitate DPs to process their compensation claims and receive compensation;
- x. Implement and monitor the Gender Action Plan (GAP) prepared for LARP.
- xi. Conduct meetings with women DPs to share information on all aspects of land acquisition, compensation rates, grievance redress mechanisms, and access to focal points in case of any assistance or guidance required for the preparation of claim documents.
- xii. Ensure that vulnerable women affectees (elderly, single, disabled and without any male support) are provided with assistance and support in the preparation of claim documents and ensure that they have received compensation.
- xiii. Support GM Project/PD PIU to establish women friendly multi-tiered grievance redress mechanism at village, district and project levels, and support the PIU and DPs in recording, processing/investigation and disposal of complaints.
- xiv. Develop gender disaggregated database (management information 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.
- xv. Provide assistance and access to database and coordinate with External/Independent monitor to facilitate monitoring and evaluation of the project,
- xvi. 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.
- xvii. Publish details of the designated office 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 (men and women), along with the name of the focal person to be contacted. Mobile phone numbers of all personnel of this unit must be mentioned for the convenience of DPs.

10.6 EXTERNAL MONITORING AGENCY (EMA)

235. NHA will also hire an agency/individual with a team to conduct independent monitoring and evaluation (i.e. the EMA) for the duration of LAR activities for the projects. The EMA shall review implementation progress throughout the LARP implementation, evaluate the level of achievement of objectives, identify gaps, if any, and propose remedial measures to be taken. The EMA shall preferably be a firm hired either for all sub-projects under a tranche or for individual subprojects.

10.7 DISTRICT GOVERNMENTS

236. District-based agencies have jurisdiction over land and non-land compensation. Land acquisition functions rest with Provincial Boards of Revenue represented at the 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 ownership. 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.

10.8 OTHER AGENCIES AND INSTITUTIONS

237. ADB will review the LARP and provide clearance after NHA fully addresses ADB's comments on the draft LARP in a satisfactory manner. ADB will also undertake project review/supervision missions to assess and make sure that LARP implementation and monitoring is in accordance with SPS 2009.

10.9 COORDINATION INITIATIVES

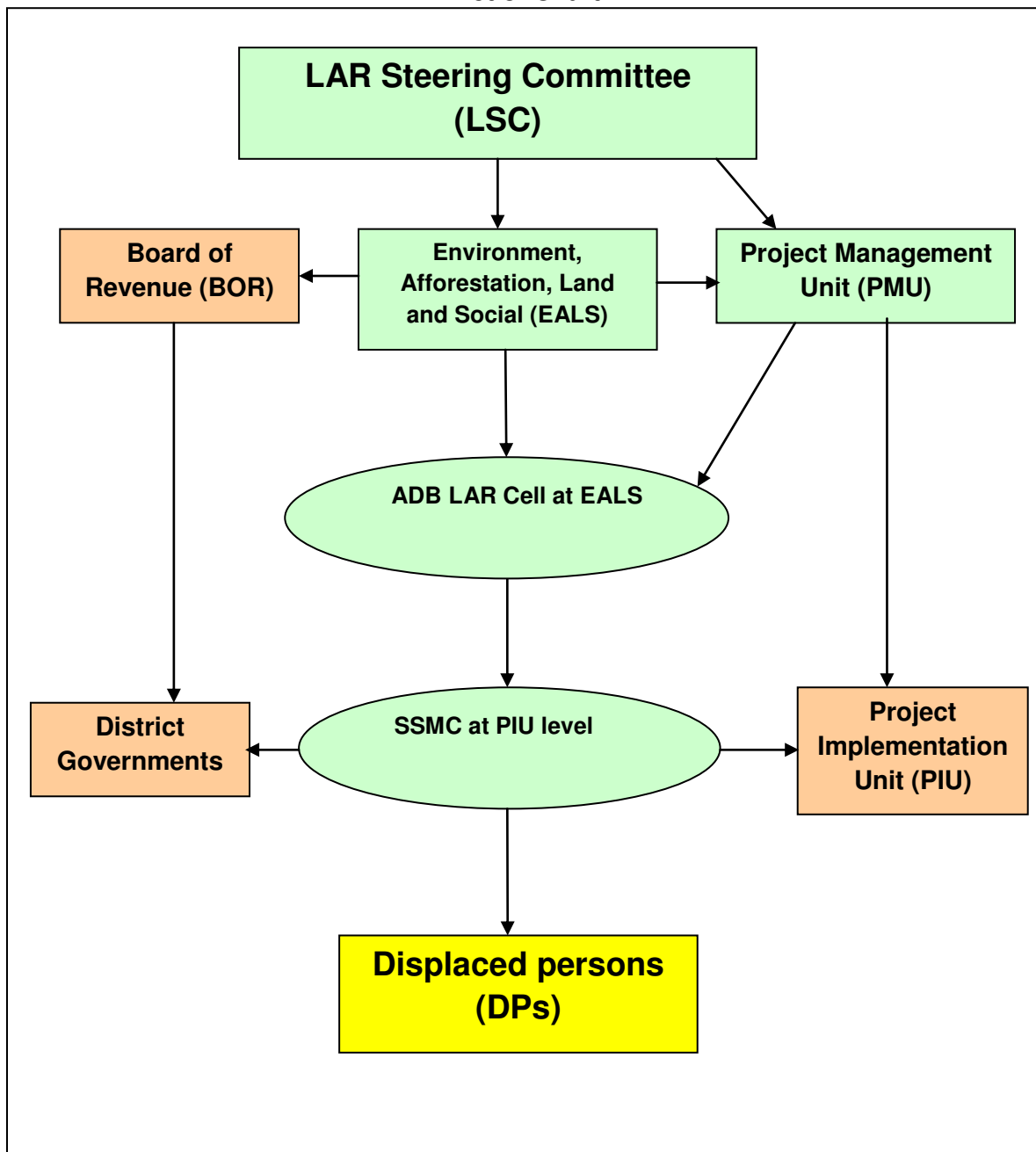
238. The agencies and officers/officials identified above will work in close coordination to obtain effective, smooth and timely DP compensation and LARP implementation. For this purpose, a LAC will be directly assigned to the PIU by the Board of Revenue. LAR Steering Committee (LSC) will also be established by NHA, with GM EALS as the chairman. The committee will be comprised of the following officials:

LAR Steering Committee (LSC) for E-35

GM (EALS)	Chairman
Program Manager ADB LAR Cell	Member/Secretary
GM and PD(Project)	Member
GM (NEP)	Member
Dy. Dir (L&S) HQ	Member
SSMC Team Leader (EALS HQ)	Member
Project based	
District Officer (Revenue)	Member
Land Management Specialist	Member
Resettlement Specialist SSMC TL	Member
Resettlement Specialist ADB	Member
External Monitoring Agency	Member

239. The LSC will meet on a quarterly basis; it will ensure through EALS ADB LAR Cell that all stakeholders involved in LAR are: (i) fully informed of this LARP and Involuntary Resettlement Policy principles and requirements as in SPS 2009, and (ii) fully informed about the status of LARP preparation and implementation. The LSC, through EALS ADB LAR Cell, SSMC at PMU level and the PIU, will facilitate coordination with LACs, District Revenue Office and other District departments and Union Councils in the preparation and implementation of the LARPs and in the execution of DP consultation and their grievance redress.

Figure 10.1: LAR
ActionChart



SECTION 11 IMPLEMENTATION SCHEDULE

11.1 INTRODUCTION

240. Implementation of LARP consists of compensation to be paid to the DPs for affected land, structures and rehabilitation and resettlement activities. The time for implementation of LARP will be scheduled as per the overall project implementation. All activities related to the land acquisition and resettlement are planned to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. However, the schedule is subject to modification depending on the progress of the project activities. The civil works contract for the subproject will only be awarded/land handed over for construction work, after all compensation and relocation has been completed for the subproject, and rehabilitation measures are in place, as confirmed by EMA. .

11.2 SCHEDULE FOR LARP IMPLEMENTATION

241. The LARP implementation schedule for the proposed subproject includes LARP preparation, disclosure, disbursement of compensation along with internal and external monitoring and reporting.

11.2.1 LARP Preparation Phase

242. The draft LARP is prepared on the basis of final design however it will be revised and updated (if required). For LARP implementation the mobilization of requisite institutional arrangements, like Safeguard Management Consultants and an External Monitoring Agency, will also be initiated and the project based GRC will be established during the LARP implementation phase. However, the information campaign & community consultation process about affected assets, compensation delivery and grievance redress will be initiated from this stage and shall continue till the end of the project.

11.2.2 LARP Implementation and Monitoring Phase

243. After the LARP preparation phase the next stage is implementation of LARP, which includes issues like disclosure of approved LARP; compensation of award by EA; payment of all eligible assistance; relocation of DPs; initiation of economic rehabilitation measures; redress of grievances and complaints if any; removal of structures/assets and taking over possession of acquired land; site preparation for delivering the site to contractors for construction, and finally starting civil work. In addition, the internal monitoring and reporting requirements start immediately with the LARP implementation process and continue till LARP implementation is completed in all respects. The SSMC will monitor LARP implementation progress on daily basis, and compile and share monthly internal monitoring reports with NHA and ADB.

244. The external monitoring of LARP implementation will be the responsibility of an independent External Monitoring Agency (EMA) procured as such for the sub project. EMA will start monitoring when implementation starts and will submit periodic reports on a quarterly basis till complete implementation of LARP.

11.3 REVISED LARP IMPLEMENTATION SCHEDULE

245. A revised LARP implementation schedule (Table 11.1) provides the sequence of implementation for time bound LAR activities. Along with the LARP, NHA confirms to implement the DDR of tranche 2 as well as payment of compensation/top ups to DPs, as given in the LARP, prior to contractor's mobilization. The possession of land will occur after all compensation, any top up, and entitlements is complete and confirmed/validated by EMA.

Table 11.1 Revised LARP implementation Schedule

Sr. #.	Key LAR Activities	Time line	Responsibility	Remarks
1	Preparation of draft LARP and submission to ADB.	Sep 2013	NHA	Done
2	Review and comments of ADB on LARP	Nov 2013	NHA	Done
3	Revision of LARP as per ADB comments.	Nov 2013	NHA	Done
4	Hiring of Social Safeguard Management Consultant (SSMC)	Feb 2014	NHA/ADB	Done
5	Establishment of GRC and DPCs	April 2012	NHA	Done
6	Approval of draft LARP by ADB	Nov 2013	ADB	Done
7	Public Consultation and Information Disclosure	December 2013	NHA	Done
8	Grievance Redress Mechanism	05 March 2011	NHA	Done
9	Preparation of Final LARP and submission to ADB	April 2015	NHA	Done
10	Approval of implementation ready LARP	May 2015	ADB	
11	Payment of compensation for land and land based assets	Before contractor mobilization	NHA	Are being monitored internally and externally
12	Taking possession of acquired land	After full implementation of LARP	NHA	To be strictly monitored and validated by EMA
13	Handing over the acquired land free of encumbrances to Contractor	As above	As above	As above
14	Internal monitoring of overall LARP implementation	Monthly/quarterly starting Aug 2012	NHA	Being done

Sr. #.	Key LAR Activities	Time line	Responsi bility	Remarks
15	External monitoring and reporting	Quarterly/se mi-annually started Janu ary 2014	NHA	After approval of LARP document EMA consultant will submit its monitoring report
16	Implementation of CAP	Prior to contractor mobilization	NHA	To be validated by EMA
17	Contractor Mobilization	July 2015	NHA	Currently Contractor is Mobilized at site.

SECTION 12

MONITORING AND REPORTING

12.1 NEED FOR MONITORING AND REPORTING

246. Monitoring is a periodic assessment of planned activities providing midway inputs. Monitoring and reporting are critical activities in involuntary resettlement which helps in assessment of implementation progress, rescheduling key actions to meet the objective timelines, early identification of issues, resolve problems faced by the DPs and develop solutions immediately to meet resettlement objectives. In other words, the monitoring apparatus is crucial mechanism for measuring project performance and fulfillment of project objectives. Keeping in view the significance of resettlement impacts, the monitoring mechanism for this project will have both internal monitoring (IM) and external monitoring (EM). Internally, the LARP implementation for the subproject will be closely monitored by the EA through the PIU and the Safeguard Management Consultants, while the services of an independent external monitoring agency will be hired external monitoring. The IM and EM are required to.

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

12.2 INTERNAL MONITORING (IM)

247. One of the main roles of SSMC/PIU will be to oversee proper and timely implementation of all activities in LARP. Monitoring will be a regular activity for SSMC at this level to ensure timely implementation of LARP activities. SSMC/PIU will collect information from the project site about implementation status of key activities; process and integrate the data in the form of a monthly report to assess the progress and results of RP implementation; and, in case of delays or any implementation problem, adjust its work program accordingly. This monitoring and reporting will be a regular activity which is extremely important in order to undertake mid-way corrective steps.

248. IM indicators will relate to process outputs and results, The IM reports will be shared with ADB safeguards unit on monthly basis and shall be consolidated in the quarterly supervision consultants' progress reports for ADB. Specific IM benchmarks will be based on the approved LARP and cover the following:

- a. Information campaign and consultation with APs;
- b. Status of land acquisition and payments on land compensation;
- c. Compensation for affected structures and other assets;
- d. Relocation of APs;

- e. Payments for loss of income and income restoration activities implementation; and
- f. Ensure the gender mitigation measures are adhered to during the internal monitoring and reporting process.

249. Gender disaggregated information will be collected by the SMC at PIU which will monitor the day-to-day resettlement activities of the project through the following instruments:

- a. Review of census information for all APs.
- b. Consultation and informal interviews with APs.
- c. Key informant interviews; and
- d. Community public meetings.

12.3 MONITORING BY EXTERNAL EXPERT (EMA)

250. The EA is required to engage a qualified and experienced External Monitoring Agency to verify the EA's monitoring information. The EMA will be hired for approximately 18 months and its recruitment is currently under process. The main objective is to monitor LARP implementation, identify issues and recommend corrective measures. The external monitor will review IM reports, collect information from the field, and determine whether resettlement objectives and goals have been achieved (and more importantly, whether livelihoods and living standards of DPs have been restored/ enhanced), and suggest suitable recommendations for improvement. The external monitor will identify gaps in LARP implementation and advise the EA on safeguard compliance issues. The key tasks during external monitoring will include:

- a. Review and verify internal monitoring reports prepared by SSMC/PIU;
- b. Review of the socio-economic baseline, census and inventory of losses of pre-displaced persons;
- c. Identification and selection of impact indicators;
- d. Impact assessment through formal and informal surveys with the affected persons;
- e. Consultations with DPs, officials, community leaders for preparing review report;
- f. Assessment of resettlement implementation progress, efficiency, effectiveness and sustainability; and
- g. Review of adherence to gender mitigation measures during monitoring period.

251. The following will be considered as the basis for indicators in external monitoring and evaluation of the project:

- a. Socio-economic conditions of the DPs in the post-resettlement period;
- b. Communications and reactions from DPs on entitlements, compensation, options, alternative developments and relocation timetables etc;
- c. Quality and frequency of consultation and disclosure;
- d. Changes in housing and income levels;
- e. Rehabilitation severely affected people, and different vulnerable groups;
- f. Valuation of property and ability to replace lost assets;
- g. Disbursement of compensation and other entitlements;
- h. Level of satisfaction of DPs in the post resettlement period;
- i. Grievance procedures, including recording, reporting, processing and redress of grievances;

252. 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. However, internal and external monitoring and reporting will continue until all LAR activities have been completed.

12.4 DATABASE MANAGEMENT AND STORAGE

253. The EMA will maintain a computerized resettlement database that will be updated quarterly. This will contain files on each displaced household and will be updated based on the information collected in successive rounds of data collection. All monitoring databases will be fully accessible to implementing agencies and the ADB.

12.5 REPORTING

254. The external expert will submit an external monitoring report to the executing agency and directly to ADB on a quarterly basis. The report should summarize the findings of the EMA, including: (i) progress on resettlement plan updating and implementation; (ii) identification of problem issues and recommended solution so implementing agencies are informed about the on-going situation and can resolve problems in a timely manner; (iii) identification of specific issues related to vulnerable displaced DPs, as relevant; and (iv) progress on follow-up of issues and problems identified in the previous report.

255. The monitoring reports will be discussed in a meeting between the EMA, the executing agency and PMU held after submission of the reports. Necessary remedial actions will be taken and documented. All DPs supported with 3 months income for loss of livelihood will be monitored to ensure restoration of pre-resettlement living standards.

12.6 DISCLOSURE

256. All monitoring reports will be translated and disclosed as per SPS and public communications policy of the ADB.



NATIONAL HIGHWAY AUTHORITY

Ministry of Communications
Government of Pakistan



National Trade Corridor Highway Investment Program

(ADB Loan No. 3197-PAK NTCHIP Tranche 3)

Hassanabdal-Havelian (E-35) Expressway Project

(Package III, E-35)

CORRECTIVE ACTION PLAN (CAP)

August 6, 2015

Office of the Project Director

Hassanabdal - Havelian (E-35) Expressway Project
National Highway Authority (NHA)
Abbottabad.

Hassanabdal - Havelian Expressway Project (E-35)
(Package III, E-35)

CORRECTIVE ACTION PLAN (CAP)

I. Background and Purpose of CAP

1. This corrective Action Plan (CAP) covers the involuntary resettlement impacts associated with the acquisition of land for package III of Hassanabdal – Havelian Expressway project (E-35) in district Haripur and Abbottabad of Khyber Pakhtunkhwa province. This project comes under tranche 2 of a multi-tranche financing facility (MFF), the Asian Development Bank funded for the National Highway Authority (NHA-project executing agency-EA) to implement the National Trade Corridor Highway Investment Program (NTCHIP).

2. The acquisition of land for the project commenced in 2010 in accordance with Pakistan's Land Acquisition Act of 1894 (LAA). The objective of this CAP is to ensure that land acquisition and compensation and rehabilitation and resettlement allowances provided in the updated LARP fully comply with ADB's Safeguard Policy Statement 2009 (SPS) as well as the Pakistan's LAA, and any gaps in compensation are properly addressed through adequate supplementary compensation, assistance and any other gap filling measure in accordance with SPS and to ensure full replacements costs are provided to the DPs for lost assets, land in particular. The CAP, in the context of SPS, is a document that has same status and standing as a Land Acquisition & Resettlement Plan (LARP). It is a document owned and endorsed by the executing agency (NHA) and its implementation and monitoring requires ADB's concurrence.

3. The CAP is an addendum to the LARP with policy principles and entitlements of LARP to apply without any differentiation. NHA is responsible to (i) disclose the CAP and updated LARP to the DPs prior to its implementation and (ii) fully implement and monitor the CAP before startup of any civil works activities. Disclosure and implementation of CAP is subject to validation by external monitoring agency (EMA).

4. Independent Land Valuation Study (LVS): Since the land was acquired in anticipation of ADB's financing of the project, an independent land valuation study (LVS) was undertaken by NHA to meet the SPS's due diligence requirement to examine whether land acquired and compensation offered is in line with (i) Pakistan's LAA and requirements of SPS. In this respect, NHA carried out the LVS in June 2015 by an international valuation firm (Colliers International). The study by Colliers concluded that the government compensation rates (prices fixed by Provincial Board of Revenue) were generally consistent with SPS's requirement of replacement cost in package III of E-35 project and no additional compensation needed as the BOR compensation was in close approximation to SPS's full replacement cost¹.

¹LVS study indicated that a reasonable amount of compensation has been awarded to DPs besides 15% compulsory acquisition charges, payment of damages i.e. crops, structures etc. This indicates that the BOR prices are reflective of Replacement Cost in all villages of Package-III of E-35 project.

5. This CAP summarizes the findings of LVS and payment of land and non-land items to the DPs and provides a set of corrective actions to be implemented in order to ensure that all the DPs are fully paid for all payable compensation and resettlement and rehabilitation (R&R) allowances according to the updated LARP and recommendations pertaining to LAR conditions of the project, internal, external monitoring of LARP and CAP and strengthening of project implementation unit (PIU) through inclusion of social safeguard management consultant (SSMC) are fully implemented.

II. Scope of Project

6. The Package III of E-35 project includes the construction of new 7.3 meter wide 2 lane dual carriageway (19.1 km) with New Jersey barrier as median, 2 interchanges, 2 flyovers, 5 underpasses, 1 bridge over railway crossing, and service area at one location. The design for all project components has been finalized and the land already acquired for package III. The carriageway will include paved shoulders at inner and outer sides. The Right of Way (RoW) of the Expressway is 60 m which stands fully acquired.

III. Land Acquisition and Resettlement (LAR) Impacts

7. The project has required 258.34 acres of agricultural land on permanent basis in 15 villages of Tehsil Haripur and Abbottabad. All land awards have been announced by the Land Acquisition Collector (LAC) for all the 15 villages where payment of compensation to DPs (based on acquaintance roll as maintained by district revenue office) is under progress. About 85% compensation of land and non-land items has been released to about 31% DPs. However payment of R&R allowances will commence after approval of updated LARP by ADB. The disbursement of payment shows that the payments made so far cover only compensation for land, structures and trees. The payments covered under SPS (e.g. resettlement and rehabilitation assistance and allowances to support DPs relocation and livelihood will be commenced after approval of updated LARP by ADB.

8. The latest revenue record of 2014 was used to assess the permanent acquisition of land. A village-wise summary of affected land holding, the land acquired and number of land owners affected is given in Table 1 below:

Table 1: Village-wise Detail of Affected Land Owners

Sr. No.	Name Of Mouza	Total Land Holding (Kanal)	Affected Land (Kanal)	No. of Land Affectees
1	Nowshera	805.74	206.30	634
2	Mallah	265.45	78.00	240
3	KaluMera	629.95	154.15	672
4	Drone Mera	451.60	112.20	283
5	Maqsooda	7.05	5.90	03
6	Toot Mera	89.45	14.90	100
7	Dobandi	417.527	163.027	133

8	AkhoneBandi	469.62	197.95	530
9	Mohri	318.45	186.60	583
10	ChangeeBandi	1220.36	363.75	770
11	Bagra	57.45	32.25	21
12	Gheba	337.60	78.35	158
13	Wazeera	621.40	143.00	206
14	KholyanBala	503.45	124.50	242
15	Langra	480.41	205.90	609
Total		6675.50 (834.43 Acres)	2066.78 (258.34 Acres)	5184

IV. Major findings of LVS

9. The LVS applied a valuation methodology that included items under SPS's replacement cost, market analysis and direct comparison method. Based on the valuation undertaken on this methodology, the LVS concluded that valuation of property conducted the BOR (table 2) is similar to assessment made under LVS. The similarity of values calculated by BOR and LVS showed that the BOR applied the same parameters as applied by LVS. Therefore the valuation by BOR appeared to be consistent with the international best practice standards used by LVS.

10. Valuation of property mentioned in the table 2 was conducted by BOR in the year 2012 whereas LVS computed valuation in June 2014. Compensation was paid to the DPs at various times between this period. This showed that there was no substantial gap between awarded compensation even after lapse of three to four years, thus gap is not applicable. Hence, the awarded compensation for land acquired in Package – III is equivalent to „Replacement Cost“.

11. The difference in valuation (table 2) and the field survey, the cost assessed in 2 villages falling in KPK is same, i.e. 0 to - 0.4%. Whereas, in remaining 13 villages the difference varies from 4.69% to 9.95% which is due to different parameters/ methodologies adopted by respective BORs and Colliers.

12. This ratio of difference is negligible as per international standards, which is due to usage of two different methodologies/parameters by two different agencies. Moreover, at this stage of land acquisition process, the difference assessed may only be legally implemented after a long arduous process.

13. It also indicates that reasonable amount of compensation has been awarded to APs besides 15% compulsory acquisition charges, payment of damages i.e. crops, structures etc. Thus, it is recommended that difference shall be ignored and shall not be applicable, as the BOR prices are reflective of Replacement Cost in all villages of Package-III, E-35.

Conclusion

14. The LVS study indicated that a reasonable amount of compensation has been awarded to the DPs besides 15% compulsory acquisition charges, payment of damages i.e. crops, structures etc. The BOR prices are found reflective of Replacement Cost in all villages of Package-III, E-35 and hence no price differential is envisaged for any additional payments to the DPs over and above the BOR

compensation, except of course the resettlement and rehabilitation allowances which will be paid to the DPs as per updated LARP.

Status of overall payments and need for CAP

15. With above conclusion of LVS not requiring any additional payments to the land payments approved by BOR, Table 2 below provides an overall status of compensation disbursement so far:

Table 2: Summary of Payment Made (Package III)

Type of Payment	No. of Villages	Land awarded/ acquired (acres)	Payable Amount (Rs.)	Total DPs (Nos.)	Total (as of 30 th June, 2015)			
					Amount Paid (Rs. M)	Unpaid Amount (Rs.)	Paid DPs (Nos.)	Unpaid DPs (Nos.)
I) Land Compensation	15	258.340	359.26	5,028	306.16	53.10	3,455	1,573
II) Non-Payments								
Crops Compensation	-	-	4.48	2,559	-	4.48	-	2,559
Affected Structures	-	-	22.13	26	17.36	4.77	24	2
Affected Trees		-	11.01	390	7.10	3.91	372	18
III) Allowances/ livelihood restoration	-		10.37	208	-	10.37	-	208

Corrective Action Plan (CAP)

16. The CAP below will ensure the land acquisition and compensation and rehabilitation and resettlement allowances provided in the updated LARP are fully paid to all eligible and entitled DPs. In this context, the timelines for land and non-land payments; and payment of allowances/ livelihood restoration are provided in the Table 3 as below.

Table 3: Timelines for the Implementation of Corrective Actions

Sr. #	Corrective Actions	Responsible Agency	Timeframe	Remarks
Land Compensation				
1	Pay Rs. 53.1 million as land compensation to 1,573 unpaid DPs of land.	NHA/LARU/SSMC/ Land Acquisition Collector	Mar 2016	This will be monitored and validated by external monitoring agency. (Mar 2016)
2	Pay Rs. 4.48 million as crop compensation to 2,559 unpaid DPs.	NHA/LARU/SSMC/ Land Acquisition Collector	Mar. 2016	This will be monitored and validated by external monitoring agency. (Mar 2016).

Sr. #	Corrective Actions	Responsible Agency	Timeframe	Remarks
2	Pay Rs. 3.91 million as compensation of trees of 18 DPs	NHA/LARU/SSMC/ Land Acquisition Collector	Sep 2015	As above
Allowances Payable under SPS				
4	Pay Rs. 1.0 million as livelihood allowance to 26 DPs of residential structures.	NHA/LARU/SSMC	Sep 2015	As above
5	Pay Rs. 0.936 million as temporary rent to 26 DPs of residential structures.	NHA/LARU/SSMC	Sep 2015	As above
7	Pay Rs. 0.390 million as shifting/ transportation allowance to 26 DPs of different types of structures.	NHA/LARU/SSMC	Sep 2015	As above
8	Pay Rs. 1.040 million as utility/ electricity allowance to 26 DPs of different types of structures.	NHA/LARU/SSMC	Sep 2015	As above
9	Pay Rs. 7.000 million as vulnerability allowance to 182 vulnerable DPs.	NHA/LARU/SSMC	Sep 2015	As above
Other Key Actions				
10	All above actions to be implemented before startup of civil works	NHA/EALS/LARU/ SSMC/LAC	Before startup of construction work.	As above
13	Recruit and mobilize external monitoring agency	NHA/EALS/GM/ PD E35	Aug 2015	-

17. Other actions requiring compliance:

- Implementation of CAP together with LARP will be subject to internal and external monitoring;
- Complete all unpaid payments as in Table 3 before mobilization of civil works contractor. This will be validated by EMA.
- Engage external monitoring agency (EMA) to monitor and validate the implementation of LARP and CAP implementation.
- Engage Social Safeguard Management Consultant firm at earliest to assist PMU and PIU in implementation of LARP and CAP and its internal monitoring.

OVERALL LAND VALUATION REPORT FOR E-35, EXPRESSWAY – PACKAGE-III

PREPARED BY:

Colliers International Pakistan (Pvt) Ltd,

PREPARED FOR:

NESPAK



April 3, 2015

Mr. Rizwan Baig,
General Manager,
H & TED,
Islamabad.

RE: Land Valuation Study Report for E-35 Expressway (Package-III).

Dear Sir,

This has reference to TOR, whereby we were required to submit a detailed analysis comparing the results of land valuation study with valuation reports for E-35 Expressway Land (Package-III), spelling out the differences between BOR and Colliers' valuations. In this analysis, we have discussed in detail the factors which we consider responsible for the variation between the two valuations. For this, we have carried out extensive survey of the lands, held meetings with dealing officials of concerned agencies, met the DPs, contacted the local property dealers and obtained comparable transactions. In addition, we have taken assistance from specialists in the requisite areas.

Please find enclosed herewith the complete analysis report.

Please acknowledge receipt.

Yours faithfully,
For and on behalf of
Colliers International Pakistan (Pvt) Ltd

TABLE OF CONTENTS

1	GLOSSARY	4
2	EXECUTIVE SUMMARY	6
3	STUDY BACKGROUND	7
B.	RATIONALE	12
C.	SCOPE OF STUDY	13
4	VALUATION METHODOLOGY	14
I.	VALUATION UNDER THE ACT AND PRACTICE	14
5	SPS-2009 REQUIREMENTS FOR REPLACEMENT COST	25
6	COMPARISONS OF VALUATION METHODOLOGIES	26
7	DIFFERENCE IN VALUATIONS:	30
8	CONCLUSIONS & RECOMMENDATIONS	34

1 GLOSSARY

This section defines common terms used throughout this document.

A

ADB - The Asian Development Bank.

DPs- Displaced peoples who are affected by the project for land acquisition or relocation And that causes loss of income and livelihood or any other type of loss related to social, Cultural and infrastructure facility.

B

BOR- The Federal Board of Revenue/ Board of Revenue.

D

DC- District Collector.

E

EA- Executing Agency.

I

IVSC- International Valuation Standards Committee.

IVS- International Valuation Standards.

IRP- Involuntary Resettlement Process refers to displacement of people by which development projects cause people to lose land or other assets, or access to resources.

IR- Involuntary Resettlement.

K

KPK- Kyber Pathin Khowa.

L

Land Acquisition- The process whereby a person is compelled by a government agency to alienate all or part of the land the person owns or possesses to the ownership and possession of the government agency requiring the land for public purpose in return for compensation.

LAA- Land Acquisition Act.

LAC- Land Acquisition Collector.
LAR- Land Acquisition and Resettlement.
LARP- Land Acquisition and Resettlement Plan.

N

NHA- National Highway Authority

P

PC1- Project Cycle 1 form used by Government of Pakistan Planning Commission for Development Projects.

R

RICS- Royal Institute of Chartered Surveyor.

S

SPS- Safeguard Policy Statement is Asian Bank operational policies that seek to avoid, minimize, or mitigate adverse environmental and social impacts, including protecting the rights of those likely to be affected or marginalized by the development process.

2 EXECUTIVE SUMMARY

In this volume, we have provided the scope of our study, the valuation methods used, the differences in valuations have been highlighted, and finally we have given recommendations for future.

- Valuation Methods.

While conducting the land valuation study we have considered and examined the following.

- Replacement Cost as mentioned in SPS 2009 of ADB.
- Market Analysis
- Difference in Valuations
- Recommendations:

We have recommended timely transfer of funds, announcements of awards, full implementation of LAA 1894. Amendment and Enactment is also proposed to include resettlement, rehabilitation and social impact assessment, training of LAC's hiring of experienced valuers, early payment of compensation and maintaining of transparent and updated records.

3 STUDY BACKGROUND

Involuntary land acquisition and resettlement (LAR) poses a significant risk to the livelihoods of people, who are physically and economically displaced due to development projects. The funding international financial institutions (IFIs) have therefore adopted various standards to manage social risks and to protect affected communities/people by compensating compulsory acquired assets at replacement costs, and providing assistance to restore their lost incomes and livelihoods for their financed projects. This is to be done in such a way that the DPs are not worse off than they were before the displacement. Accordingly, the Asian Development Bank (ADB) requires replacement cost be paid as compensation for all lost assets (land and non-land). This requirement is clearly established by both the Involuntary Resettlement Policy, 1995 (IRP) as well as the Safeguard Policy Statement SPS 2009 (SPS) of ADB.

While both IRP and SPS require compensation for lost assets based on “full replacement cost”, the SPS is more specific than the IRP in terms of methodology. SPS guidance for establishing replacement cost consists of the following: (i) fair market value; (ii) transaction costs; (iii) interest accrued; (iv) transitional and restoration costs; and (v) other applicable payments, if any. Where market conditions are absent or in a formative stage, the borrower/client will consult with the displaced persons, and host population 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. The borrower/client will also collect baseline data on housing, house types, and construction materials. Qualified and experienced experts will undertake the valuation of acquired assets. In applying method of valuation, depreciation of structures and assets should not be taken into account. However active

market conditions in the project area should be observed before and at the time of commencement of land acquisition process.

ADB is supporting the National Highway Authority (NHA) in funding a number of major road projects in Pakistan. Challenges in establishing replacement cost for lost assets have been experienced on previously executed projects and in some cases complaints have been received from affected persons, regarding low market rate adopted for assessment of affected land. Consequently, NESPAK, who were assigned the task by NHA, through independent valuers M/s. Colliers International, undertook a land valuation study to determine how replacement cost should be appraised and review the land acquisition and assessment process by BoR. To ensure compliance with ADB's safeguard policies, a central part of the study consisted of determining how the value of land and other assets could be assessed to meet ADB's policy requirements and also satisfy the legal requirements of Pakistan.

Further, we have obtained detail opinions from legal counsels having expertise in LAR (Land Acquisition and Resettlement) and other related Laws providing guidance on filling the gaps between ADB SPS 2009 and prevalent statutes.

A. TERMS OF REFERENCE

Background:

- i. Involuntary land acquisition and resettlement (LAR) poses a significant risk to the livelihoods of people, who are physically and economically displaced due to development projects. The multilateral financial institutions have adopted international standards to manage social risks and protect affected communities/peoples by compensating lost assets at replacement costs, and providing assistance to restore their lost incomes and livelihoods for their financed projects. The Asian Development Bank (ADB) requires replacement cost be paid as compensation for all lost assets (land and non-land). This requirement is established by both the Involuntary Resettlement Policy, 1995 (IRP) as well as the Safeguard Policy Statement SPS 2009 (SPS) of ADB.
- ii. While both IRP and SPS require compensation for lost assets based on “full replacement cost”, the SPS is more specific than the IRP in terms of methodology. SPS guidance for establishing replacement cost consists of the following: (i) fair market value; (ii) transaction costs; (iii) interest accrued; (iv) transitional and restoration costs; and (v) other applicable payments, if any. Where market conditions are absent or in a formative stage, the borrower/client 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. The borrower/client will also collect baseline data on housing, house types, and construction materials. Qualified and experienced experts will undertake the valuation of acquired assets. In applying method of valuation, depreciation of structures and assets should not be taken into account.
- iii. ADB is supporting the National Highway Authority (NHA) in funding a number of major road projects in Pakistan. Challenges in establishing replacement cost for lost assets have been experienced in recent projects and complaints have been received from affected persons. NHA was therefore required to undertake a land valuation study to determine how replacement cost should be appraised using international appraisal standards in Pakistan for involuntary resettlement (IR). To ensure compliance with ADB’s safeguard policies, a central part of the proposed study is to determine how the value of land and other assets can be assessed to meet ADB’s policy requirements and also satisfy the legal requirements of Pakistan.

Objective of the Study

- iv. The objective of the independent land valuation study (Study) is to undertake an independent appraisal of the value of land using international appraisal standards; (ii) assess the constraints to carrying out such appraisal for IR, particularly in rural areas; (iii) compare the valuation methods and rates used by the Board of Revenue (BoR)/NHA and those based on international standards; and, (iv) provide professional advice as to how any issues identified can be addressed in Pakistan.
- v. The study will identify defensible ranges of land values which approximate full replacement cost. A sample of at least 5% of affected land properties will be valued, so that values for various land types and locations are provided. If the BoR/NHA rates do not fall within the identified range of rates, then there will be a need to determine: (i) why the rates are different; (ii) how the gap can be filled; and (iii) whether and how the BoR/NHA rates can approximate full replacement cost.

Specific Out Requirement

The outputs of the Valuation Study are.

a) Inception Report

- i. A brief Inception Report (within 10 pages) will be provided within 1 week of signing the contract. The Inception Report will need to be approved by ADB prior to commencement of overall Land Valuation Report. Inception report will include following items as minimum.
- ii. Proposed valuation methodology
- iii. Presentation of a sample report structure (table of contents or similar)
- iv. Method of engagement with key stakeholders (BoR / District Price Assessment Committee / NHA etc) and outcomes of any initial discussions
- v. Problem resolution strategies.

b) Overall Land Valuation Report.

- i. Prepare land valuation to establish full replacement cost (for the purpose of this Study, the method required under SPS will be applied). This will require the valuation of sampled land properties affected by NHA project(s).
- ii. The purpose of methodology for accessing RC in Pakistan keeping in view LAA 1894 provisions and SPS, 2009. The land valuation report will include, as a minimum the following information.
 - I. Property address.

- II. General description of property.
- III. Site area, dimensions, soil type, aspect, elevation, etc)
- IV. Location and attributes (distance from nearest town centre locality and surrounded development, access and exposure services and amenities (including mains supply, public transport)
- V. Public services, shops schools churches/mosques, climes etc.
- VI. Any statutory valuation – BoR etc.
- VII. Date of inspection and valuation
- VIII. Registered owner/occupier
- IX. Title description
- X. Formal or informal easements or encumbrances.
- XI. Land categorization and current use / land category.
- XII. Improvement (type, size and value of structures, features, water supply etc.)
- XIII. Valuation considerations (approach to valuation – capitalization or direct comparison etc).
- XIV. A valuation figure, which, in the opinion of appraiser, represent full replacement and added value and added value of improvements.

(Annexure A)

c) Analysis of Differences between BoR and Colliers Valuations

- i) A comparison between the results of outputs 2 and 3 with the values determined using the BoR/NHA methodologies (Refer Para 7). That is, where the Colliers valuation differs from the BoR/NHA valuation, a detailed analysis as to why the values are different will be required. This output will be based on land types and locations, rather than on a property by property basis. This output will identify the key strengths and weaknesses of the two valuation approaches in the context of land acquisition for ADB financed projects.

d) Analysis of Way Forward for ADB Pipeline Projects

- i) Provide detailed guidance, within the provisions of the Pakistan legal framework, on how any gaps can be filled for (i) individual projects and (ii) in a systematic way forward for projects in ADB financed pipeline projects. In particular, guidance on legal opportunities and constraints for BoR/NHA valuations to adopt international standards will be required. After Inception Report, comprehensive Land Valuation Study Report comprising all components of Sr. No: (ii), (iii) & (iv) has been submitted.

B. RATIONALE

The provincial BOR is the government institution and carries out the task of valuation of land as qualified and experienced expert.

The BOR does a fairly good job in assessing realistic values, however, its methodology is not aligned with the ADB project cycle and SPS 2009; and in some cases this can create the potential for complaints. Therefore, to minimize this potential and in particular, to bring the valuation process in line with ADB's SPS 2009, which envisages compensation to be paid at full replacement cost, ADB required the Executing Agency to appoint an independent entity to carry out fresh valuations in line with these principles for ADB financed projects.

C. SCOPE OF STUDY

The study includes two packages i.e. Package I (Hasanabadal-Jarikas) & Package III (Sareh Salah-Havellian) of E-35 and identifies defendable ranges of land values which approximate full replacement cost. For this study, 5% sample of land holdings was used so that values for various land types and locations could be obtained. Where the BoR rates do not fall within the identified range of rates, we will attempt to determine: (i) why the rates are different; (ii) how the gap can be filled; and (iii) whether and how the BoR rates can approximate full replacement cost.

4 VALUATION METHODOLOGY

I. VALUATION UNDER THE ACT AND PRACTICE

The valuation of land to be acquired by NHA initially starts at the time of submission of PC-1, which is to be submitted to the Planning Commission for the purpose of recording the development projects to be undertaken by the Government of Pakistan. At this stage NHA, in consultation with local revenue authorities prepares an estimate value of land, while, Land Acquisition Collector (“LAC”) assesses the estimated value of land considering the Valuation Table/District Collectors’ Rates (DC Rates)¹ of land located in similar vicinity.

The alignment of Package-III of E-35 falls in the province of Khyber Pakhtunkhwa (“KPK”) and it passes through 15 Mouzas. Therefore, the present report reviews KPK land acquisition legal frameworks² and established practices.

The Land Acquisition Act 1894 (“LAA” or “Act”) with its successive amendments is the main law regulating land acquisition proceedings for public purpose. The Act has been variously interpreted by local governments, and some provinces have augmented the Act by issuing provincial regulations. The Act requires that affected land and properties are compensated in cash at market rate to title landowners and registered land tenants/users. The Act also mandates that land valuation is to be based on the median rate over the past one year, from the date of publication of notification under Section 4. Besides, the valuation by Revenue Department, 15% Compulsory Land Acquisition Charges over and above the actual land compensation are also paid as premium, provided in the Act.

¹ DC rates are rates fixed for payment of stamp duty. These rates are generally reflective of the true market value and are estimated on the lower side.

² Land Acquisition Act, 1894 with N.W.F.P amendments, namely, The North-West Frontier Province Land Acquisition (Amendment) Act, 1986, The Land Acquisition (North-West Frontier Province Second Amendment) Act, 1972. N.W.F.P. Act No. IV of 1972, The North-West Frontier Province Guidelines for the implementation of the Land Acquisition Act (Modified up to 1992) Pre-Emption Act, 1987 .

The law deals with matters related to the acquisition of private land and other immovable assets that may exist on the land when it is being acquired for public purpose. The right to acquire land for public purposes is established when Section 4 of the LAA is triggered. The LAA specifies a systematic approach for acquisition and compensation of land and other properties for development projects. It stipulates various sections pertaining to notifications, surveys, acquisition, public hearing/consultation under Section 9 & 10, compensation and apportionment, awards along with dispute resolution, penalties and exemptions. Surveys for land acquisition are disclosed to the affected persons.

The value of “land” is determined by revenue authorities under the Act, keeping in view the parameters laid down for determination of compensation as per its classification and location. Where the estimated cost of land is up to Rs. 5 million the Collector of the District (“DC”) is authorized to approve the estimated cost of land and forward the estimate to the acquiring department/agency directly and if the estimate is upto Rs. 10 million, then the Board of Revenue (“BOR”) grants the approval³. The approval by the BOR implies that the Board has examined the record prepared by the subordinate authorities.

Within the administrative system of BOR, for acquisition of land, the LAC is the final authority that determines compensation to be paid to the persons interested before making the award. LACs’ award is the final determination of compensation, which cannot be challenged anywhere except before the Referee Court.

³ Board of Revenue, NWFP, Guidelines for the implementation of Land Acquisition Act, 1894 amendment para-6, 27.12.2005

With time certain amendments have been made in KPK with respect to the land acquisition laws as follows:

a) The North-West Frontier Province Land Acquisition (Amendment) Act, 1986

Pursuant to this amendment, Section 48A was added after Section 48 in the LAA, 1894, which states that “*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 consequences of the delay*”.

b) The Land Acquisition (North-West Frontier Province Second Amendment) Act, 1972. N. W. F. P. Act No. IV Of 1972

In the LAA 1894, mainly in section 31, for sub-section (1), the following sub- section substituted:

11- “(1) When the Collector has made an award under section

- (a) *If the person interested entitled to compensation under the award accepts the award and intimates his acceptance in writing to the Collector before the expiry of the period prescribed in sub-section (2) of section 18 for making an application to the Collector for referring the award to the Court, or if the period specified in sub-section (2) of the said section for making an application to the Collector for referring the award to the Court has expired and no such application or reference has been made, the Collector shall, before taking possession of the land, tender payment of the full amount of compensation awarded by him to the persons entitled thereto according to the award, and shall pay it to them unless prevented by some one or more of the contingencies mentioned in sub-section (2);*

- (b) *If the person interested entitled to compensation under the award objects to the award and an application has been made to the collector under sub-section (1) of section 18 for referring the award to the Court, the Collector shall, before taking possession of the land, tender payment of the compensation awarded by him or the estimated cost of acquisition of such land as determined by the Collector of the district under sub-section (1) of section 17, whichever is less, to the person entitled thereto under the award and shall pay it to them unless prevented by some one or more of the contingencies mentioned in sub-section (2):*

Provided that no payment under clause (b) shall be made until the person entitled to compensation furnishes to the satisfaction of the Collector a security of refund of the amount, if any, which may subsequently be found to be in excess of the compensation awarded to him by the Court."

c) The North-West Frontier Province Guidelines For The Implementation Of The Land Acquisition Act (Modified Up To 1992) Pre-Emption Act, 1987

These Guidelines consist of various amendments, which require that when a property is acquired by the Federal or a Provincial Government or a local authority under the law, it shall not be pre-emptible.

Besides, the value of land, damages and expenses, inter alia sustained by the persons interested by reason of severing such land from his other property; acquisition injuriously affecting his other property or earnings; change in his residence or place of business; and diminution of profits of the land are also required to be calculated and paid under the Act. The LAC also needs to consider the damages and expenses sustained by the persons interested at the

time of taking possession by reason of taking of the standing crops or trees.

It is noticeable that detailed minutes of hearings by the LAC for determination of compensation are maintained and cogent reasons are given/recorded by them for their estimation. The persons interested are also involved in the process of acquisition by the LAC, the procedures/methodology and timeframe for estimation of value of compensation is also provided.

Conclusively, the procedure for price determination and acquisition of land undertaken by the authorities in KPK⁴ may be summarized as follows:

1. The acquiring agency submits an application to the Collector of the District concerned for the acquisition of land under the Act giving full justification of the public purpose involved and the minimum area required by it with full details of all other area owned by it in the same locality.
2. On receipt of the application under Para-1, the Collector of the District examines the feasibility taking into consideration the genuineness of the public purpose involved, the minimum requirements of the acquiring agency and suitability of the area proposed for acquisition keeping in view its alternate uses, if any.
3. After the examination of feasibility under Para-2, if the Collector of the District is of the view that the land be acquired for the acquiring agency, he issues a notification, under section 4, of the Act, stating clearly the name of the revenue estate/village or locality Tehsil, broad details of the dimension and boundaries of square or rectangles, field numbers and the approximate area to be acquired.

⁴ notification no. 10974-11053 dated 17.08.2006 issued by the Revenue Department, Government of NWFP

4. The acquiring Department in the application given under Para-1 also informs the District Collector that permission for entering into private negotiations for the acquisition of land has been obtained from the Head of the Administrative Department.
5. (1) The Collector then notifies the following Committee for assessment and determination of the price and verification of title of ownership:
 - (a) District Collector - Convener
 - (b) EDO (Finance & Planning) - Member
 - (c) EDO of the Acquiring Department - Member
 - (d) Revenue Officer/Tehsildar Circle - Member
 - (e) Nazim of the Union Council - Member
- (2) The committee while determining the price takes into consideration the following data from which the market value can be assessed:
 - (a) The price paid for land recently acquired in that estate or its neighborhood;
 - (b) The price paid in private transaction as discoverable from the register of mutations and the record of registration department;
 - (c) All other information available especially with regard to the points referred to in section 23 (as amended by the 2001 Ordinance) of the Act;
 - (d) It is always open to the Committee to consult respectable people who are uninterested with regard to the value of the land.
6. The Committee completes the process of valuation of land within a period of sixty (60) days from the start of process of negotiation and if the Committee is of the opinion that the land owner and the representative of acquiring department have agreed to the price of land than it submits its report and recommendation to the Head of the Acquiring Department for getting his approval.
7. In case the Head of the Administrative Department agrees to the recommendations of the Committee, he intimates to the Collector his approval. The Collector then drafts a summary of the entire proceedings.

8. In case of refusal of the approval the Head of Acquiring Department may inform the Collector, within one month, either to drop the acquisition of the said land and opt for alternate site or initiate compulsory acquisition process under the Act.
9. When the land is acquired through compulsory acquisition under the Act, the price of land shall be determined by the Committee as mentioned in Para-5 in the manner as laid down in Para-5(2) above.

4.1 COLLIERS APPROACH TO VALUATION:

Keeping in view the current legal framework of KPK Provinces and ADB SPS-2009, Colliers have considered the replacement cost approach, market analysis and the direct comparison approach to value the property described below.

REPLACEMENT COST APPROACH:

SPS guidance for establishing replacement cost consists of the following: (i) fair market value; (ii) transaction costs; (iii) interest accrued; (iv) transitional and restoration costs; and (v) other applicable payments, if any.

MARKET ANALYSIS:

The market survey is based on a combination of primary and secondary data collection. The market overview and statistics are available from published sources and primary research. While examining the relevant sectors of the market, Colliers have considered existing supply and demand i.e, availability land for sale / availability for potential buyers. This was done by surveying an area within the radius of 7 km from subject properties. Factors that positively influence demand were found to include availability of liquidity/cultivated land, while supply depends on liquidity

requirements. Colliers have considered very carefully the impact of location on the supply/demand pattern and the pattern of the local economy and, in particular, the possible impact on the value of the properties.

DIRECT COMPARISON APPROACH:

Direct Comparison Approach is based on the principle of substitution. It basically entails that any rational person will not pay more for a property than it would cost to purchase a comparable substitute.

The information is collected from NHA Project staff (including Land Acquisition Collector), representatives of BoR in relevant tehsil and district, the owner(s) of the acquired land, the neighborhood and real estate agent. The comparison is drawn between awarded compensation for land and cost in the neighborhood. For valuation, the information is collected on following parameters:

- a) Accessibility to the land;
- b) Location of the land;
- c) Fertility/ productivity (in case if it is a farming land);
- d) Availability of amenities;
- e) Distance from nearest town/city; and
- f) Any other pertinent factor.

II. INFORMATION SOURCES:

The information has been collected from relevant stakeholders including (i) Project Engineering Staff, (ii) Project land staff, (iii) LACs E-35, (iv) District Revenue Officers and (v) Affected Persons (DPs) as well as local/host community i.e. community surrounding the DPs.

INFORMATION COLLECTION:

The Colliers team visited the sites from 21.06.2014 to 04.07.2014 for field investigation and collection of relevant information and documents of the then acquisition process (2011-12), (Annex A).

BASIS OF VALUATION:

The Colliers team examined the land prices determined under LAA and the field investigation methodology consisted of the following:

- Assessment of Location
- Consideration of value of similar properties in the vicinity and in the immediate neighbourhood
- Consideration for accessibility
- Review of land records and on the spot survey.
- Consideration of availability of sources of cultivation and water (including on the field survey)
- Consideration of other amenities ⁵ (including on the field survey).
- Consideration of distance from the population/nearest town/Village.
- Consideration of market competitiveness and the prevailing economic environment in the country affecting real estate.

MAJOR ASSUMPTION:

The major assumption while conducting the study is that the value of similar properties in the vicinity and neighbourhood would be more or less the same for the purpose of comparison.

VALUATION CONSTRAINTS:

It is observed that the mutations examined do not reflect the true value of the transaction. The value of properties recorded therein

⁵ Mosques, hospitals, roads , gases etc.

either exceeds the true value to avoid Pre-emption litigation or such value is shown to be lesser than actual value to avoid fees and taxes.

The entire activity of meeting affected people was not so instrumental in relation to providing valuation on full replacement cost basis. Some (DPs) were dissatisfied with awarded compensation; however, on asking about justification they failed to provide any rational for demanding more payments.

VALUATION RATIONALE:

The value of agricultural land was assessed in an open market considering on the spot survey:

- land use
- cropping patterns
- crop production and yield
- irrigation pattern
- location
- topography
- other factors which may have had a material impact on the prices paid.

Market value of a property is obtained by considering its size, nature and location, as well as the trend in the real estate and property sector. Maximum use has been made of the information provided, and market intelligence to determine the current market value of assets. Colliers have taken all relevant factors affecting the saleability of the asset, availability of the buyers and the assessment of its real value under prevailing economic condition into account.

Valuation reports include description and assessment of land in following manner:

- Property address

- General description of property
- Site (area, dimensions, soil type, aspect, elevation, etc.)
- Location and attributes (distance from the nearest town centre locality and surrounding development, access and exposure services and amenities (including mains supply, public transport etc.)
- Public services – shops, schools, mosques/churches, clinics etc.
- Any statutory valuations – BOR etc
- Date of inspection and valuation
- Registered owner/occupier
- Title description
- Formal or informal easements or encumbrances
- Land categorization and current use/land category
- Improvements (type, size and value of structures, features, water supply etc.)
- Valuation considerations (approach to valuation – direct comparison etc.)

Based on consideration of these factors, a valuation figure is determined, which, in the opinion of Colliers, represents full replacement cost as defined by ADB's SPS 2009.

5 SPS-2009 REQUIREMENTS FOR REPLACEMENT COST

Under SPS-2009 preference shall always be land-based resettlement for displaced persons having a right to be acquired property especially whose livelihood is connected to land. The resettlement may be on public land or private land acquired or purchased for resettlement. The alternate land shall be a combination of same productive potential and location advantages. If for some reason appropriate land is not available, cash compensation shall be made.

Under SPS-2009 the rate of compensation for acquired housing, land and other assets is to be calculated at full replacement cost. The calculation shall depend on fair market value; transactional cost; interest accrued; transitional and restoration costs; and other applicable payments.

Under SPS-2009 in case the market value is missing, the displaced persons and local population shall be consulted to calculate the rate, plus experts will be consulted to evaluate the cost of housing, house types and construction materials and valuation of acquired assets.

6 COMPARISONS OF VALUATION METHODOLOGIES

6.1 FACTORS CONSIDERED TO DETERMINE FULL REPLACEMENT COST

Fair Market value is one of the core components of full replacement cost according to SPS. The Act also recognizes that value of land is to be based on market value.

Colliers has considered market value for determination of replacement cost, in this case the value of land within radius of 7 kilometers is examined through consultations with host community, property dealers, stakeholders and review of transaction deeds/mutations, valuation tables/DC rates. In several respects the methodology for arriving at market value under the Act, SPS and Colliers is not significantly different, except that the SPS states that “qualified and experienced experts will undertake the valuation of acquired assets where market conditions are absent or in a formative stage”. The Act has no such requirement, though there is no restriction to use them either. In the present case, District Collector is the principle and independent authority for valuation and need not to take assistance from any other source.

6.2 TIMELINE

It is observed that Colliers methodology and the implementation of the Act (as amended by the 2001 Ordinance) in practice with respect to the time when the market value is calculated and applied is same. Colliers and the Act both consider a fair market value as a value which truly represents the market at the time of acquisition (possession), applied within a reasonable time after calculation. Due

to the amendment in the Act by the KPK Government vide the 2001 Ordinance, the market value is calculated in line with SPS requirement and it is not out dated as there is no gap between the time when market value is calculated and actual payment of compensation.

Colliers and the Act (as amended by the 2001 Ordinance) consider that best practice for valuation requires market value to be calculated at the time of payment of compensation and possession. However SPS does not specifically provide any timelines for calculating market value or payment and only requires compensation to be paid prior to dispossession. It can be deduced that by fair market value, it is meant “fair market value paid at the time of dispossession”.

SPS 2009 specifies that payment must be made prior to dispossession while the Act also requires that compensation to be paid prior to taking of possession except in case of urgency. However, the present acquisitions were normal acquisitions not using urgency clause, hence payment was made prior to dispossession and was in line with SPS.

Other costs, which are to be included in replacement cost under the SPS, are “transaction costs”, the “interest accrued”, “transitional and “restoration” cost. The Act does not specifically spell out replacement cost but many of these costs are covered directly under Section 23 clauses thirdly, fourthly, fifthly and sixthly of the Act as damages and other costs can be compensated under additional amount (15%) to be paid on market value of land for compulsory acquisition. The Act provides assessment to be undertaken by

multiple authorities at different stages for transparency and for better valuation.

6.3 CONSULTATION WITH DPs

Consultation with DPs is considered essential in the process of calculating value of land. SPS 2009 requires involvement of DPs at all stages of acquisition. Colliers consulted a large numbers of DPs⁶ or their representatives in assessment of value of land. Identification of DPs was primarily carried out through perusal of record of rights (record maintained by Tehsildar for revenue purpose). The representative of NHA/LAC assisted Colliers in the identification of DPs in the villages. The Act provides for hearing of all interested persons before passing an award under Sections 9 & 10. These hearings are very effective and properly recorded and reasoning is usually provided for accepting or rejecting the views of the DPs regarding assessment of value of land under the Act.

6.4 NEUTRAL VALUERS

The Act stipulates the Collector as a neutral valuer for calculation of market value and it plays significant role in the process of valuation of land/assets. SPS recognizes Developing Member Country's internal system for determination of value of affected land and properties, however, where market conditions are absent and in a formative stage requires independent valuers, qualified and experienced experts to be engaged for valuation of land.

6.5 SURVEY OF LAND FOR VALUATION

Colliers conducted a thorough field survey of land to be acquired for the purpose of valuation of land and consultation with host communities. In accordance with international best practice in

⁶ Affected persons, households

valuation, information was also collected about then land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in project area and region, and other related information from DPs and host communities.

The Act requires proper assessment of market value and conducting site survey for exact measurements of land.

6.6 METHODOLOGY

SPS 2009 provides broad outline and factors to be considered for valuation of land but does not provide any specific methodology. The Act provides clear guidelines on methodology of land valuation and leaves no room for possibility of misuse. Colliers conducted their investigations by employing very systematic methodologies⁷ as discussed above. These methodologies are compatible with the ADB, SPS 2009 Replacement Cost determining factors.

6.7 RECORD / PROPER MINUTES

The Act requires record keeping of meetings such as hearing of DPs' objections by LAC, or the minutes of the proceedings conducted by the Commissioner for examination of the report sent to him by the LAC. The Act also require recording of reasoning for determination of market value. Hence, the whole process is transparent in calculating market value while exercising discretion by LAC.

⁷ Market Analyses, Replacement Cost and Direct Comparison Approach

7 DIFFERENCE IN VALUATIONS:

Serial	Property	BOR Price	Colliers Price	Differential	No. of DPs (Properties)	Remarks
1.	land measuring 143 Kanals situated at village Wazeran, Tehsil Havelian, District Abbottabad	2,894,210.16	3,033,500	4.69%	7	Prices are approximate replacement cost
2.	land measuring 14 Kanals 18 Marlas situated at village Mera Toot, Tehsil and District Haripur	2,992,374.08	3,240,000	7.94%	3	Prices are approximate replacement cost
3.	land measuring 5 Kanals 18 Marlas situated at village Maqsooda Tehsil and District Haripur	6,067,285	6,091,625	0.4%	2	Prices are approximate replacement cost
4.	land measuring 124 Kanals 10 Marlas situated at village Kholian Bala, Tehsil and District Haripur	1,462,179.53	1,583,900	7.99%	6	Prices are approximate replacement cost

5.	land measuring 163 Kanals situated at village Dobandi, Tehsil and District Haripur	4,929,599.77	5,241,000	6.12%	10	Prices are approximate replacement cost
6.	land measuring 32 Kanals 5 Marlas situated at village Bagra, Tehsil and District Haripur	17,394,404.67	18,809,107	7.81%	4	Prices are approximate replacement cost
7.	land measuring 363 Kanals 15 Marlas situated at village Changi Bandi, Tehsil and District Haripur	1,464,307.75	1,610,000	9.95%	8	Prices are approximate replacement cost
8.	land measuring 197 Kanals 19 Marlas situated at village Akhone Bandi, Tehsil and District Haripur	6,730,428.593	7,385,000	9.72%	12	Prices are approximate replacement cost
9.	land measuring 154 Kanals 13 Marlas situated at village Kalu Maira, Tehsil Havelian, District Abbottabad	5,418,405.8	5,787,000	6.58%	8	Prices are approximate replacement cost

10.	land measuring 78 Kanals 7 Marlas situated at village Gheba, Tehsil and District Haripur	4,846,155.2	4,856,617.6	0.21%	6	Prices are approximate replacement cost
11.	land measuring 112 Kanals 4 Marlas situated at village Droni Maira, Tehsil Havelian, District Abbottabad	2,347,324.28	2,545,300	8.09%	6	Prices are approximate replacement cost
12.	land measuring 186 Kanals 12 Marlas situated at village Mohri, Tehsil & District Haripur	9,079,137.99	9,840,000	8.04%	3	Prices are approximate replacement cost
13.	land measuring 78 Kanals situated at village Malla, Tehsil Havelian, District Abbottabad	2,711,689.93	2,903,200	6.82%	5	Prices are approximate replacement cost
14.	land measuring 194 Kanals 13 Marlas situated at village Nowshera, Tehsil Havelian, District Abbottabad	546,765.2	577,000	5.38%	8	Prices are approximate replacement cost

15	land measuring 205 Kanals 18 Marlas situated at village Langra, Tehsil Havelian, District Abbottabad	Award announcement was under process.	4,127,250	N/A	6	Meeting was held with LAC and he ensured to follow the similar procedure as carried out in other 14 Mouzas. Thus, no substantial difference is expected.
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The valuation of properties as given in Table 1 above has been calculated by applying the same methodology (replacement cost, market analysis and direct comparison). Our comments on differences in the values calculated by BOR and Colliers are as follows:

- i) Valuation of property conducted the BOR mentioned in the table is similar to Colliers assessment carried out under the study. The similarity of values calculated by BOR and Colliers shows that the BOR applied the same parameters as applied by Colliers. This strongly suggests that if all parameters are considered, the process factors available under the Act meet the international best practice standards used by Colliers.
- ii) Valuation of property mentioned in the table above was conducted by BOR in the year 2012 whereas Colliers computed valuation in June 2014. Compensation was paid to the APs at various times between this period. This shows that there is no substantial gap between awarded compensation even after lapse of three to four years, thus gap is not applicable. Hence, the awarded compensation for land acquired in Package - III is equivalent to 'Replacement Cost'.

8 CONCLUSIONS & RECOMMENDATIONS

8.1 IMPLEMENTATION OF SECTION 23:

Section 23 of the LAA 1894 is fairly equivalent to the concept of full replacement cost of SPS 2009. Implementation of Section 23 can be improved if BOR gives clear and detailed methodology to LACs on how to interpret and apply clauses first to sixth of Section 23.

8.2 RESETTLEMENT/REHABILITATION/ SIA:

The Act has no scope of “resettlement”, “rehabilitation” and “social impact assessment” as envisaged by SPS 2009. To include these concepts, either the whole regime of the Act needs to be altered or a separate Act needs to be introduced to enforce these factors with proper institutional development and training. Such development and training could be provided by ADB for application on ADB financed projects.

8.3 LAND VALUATION DIFFERENCE IN COST ASSESSMENT:

Considering the findings, analysis at “Table-7 - Difference in Valuation” and the field survey, the cost assessed in 2 mouzas falling in KPK is same i.e 0 to - 0.4%. Whereas, in remaining 12 mouzas the difference varies from 4.69% to 9.95% which is due to different parameters / methodologies adopted by respective BORs and Colliers. This ratio of difference is negligible as per international standards, which is due to usage of two different methodologies/ parameters by two different agencies. Moreover, at this stage of land acquisition process, the difference assessed may only be legally implemented after a long arduous process. It also indicates that reasonable amount of compensation has been awarded to APs

besides 15% compulsory acquisition charges, payment of damages i.e. crops, structures etc. Thus, it is recommended that difference shall be ignored and shall not be applicable, as the BOR prices are reflective of Replacement Cost in all mouzas of Package-III, E-35.

However, in mouza Langra, award had not been decided at the time of our survey. We are therefore only giving our assessed rates and can not compare it with the BOR's rate.

8..4 TIMELINES FOR PAYMENT OF COMPENSATION:

SPS 2009 specifies that payment must be made prior to dispossession while the Act also requires that compensation is to be paid prior to taking of possession except in case of urgency. However, the present acquisitions were normal acquisitions not using urgency clause, hence payment was made prior to dispossession and was in line with SPS.

8..5 TRAINING:

Training of LACs and land management officers of NHA is essential for better understanding and implementation of LAA 1894 and SPS 2009. Training sessions for the purpose of building the capacity and knowledge of LACs and land management officers of NHA would enable them to understand the true scope of LAA 1894, which is line with the modern day concept.

8..6 VALUERS:

Qualified and experienced valuers to be associated to provide professional expert valuation and accountability/transparency of the process, and engaging such experts would be extremely helpful to

maintain transparency and accuracy of the valuation process. This can also be achieved through instructions by the BOR by developing capacity to provide training to LACs.

8.7 MONITORING AND DOCUMENTATION:

Maintaining proper minute and books of record and its availability is crucial for transparency and for evaluation of the performance of officials. All proceedings especially hearings before the LAC need to be recorded and properly documented. Further, BOR is to give instructions to the LACs to give speaking orders with reasoning for the decision taken. Particularly, the reasons for rejection of claims of persons interested relating to compensation must be highlighted/recorded. It may be proposed that assistance from Capacity Building & Development of pro forma and other monitoring etc may be considered.

8.8 TIMELINES FOR PAYMENT OF COMPENSATION:

The Act is silent about timelines, which usually creates serious gap between time of assessment of compensation and actual possession and payment of compensation. Till such time amendments are made in the Act, it is suggested that for ADB funded cases the whole process of acquisition from the issuance of notification under section 4 till payment of compensation is to be done within a timeframe that accommodates the ADB project cycle milestones. For this purpose, ADB should provide awareness training to its client executing agencies in order to ensure that its project cycle and critical milestones are well understood. This can be achieved by agreement between ADB and the Acquiring Agency.

8..9 PROCEDURE:

Till such time as LAA 1894 is amended, BOR can issue instructions to provide detailed procedure for assessment of compensation including hearing of stakeholders, assessment by qualified and experienced valuers and other standards as provided in International Valuation Standards. For this purpose, BOR will have to be duly authorized.

8..10 TO ENSURE THAT REVENUE RECORDS ARE UPDATED:

It has been observed that one of the reasons for incorrect assessment in several cases was lack of updated revenue records, for instance, many a times, commercial areas are continued to be shown as agriculture property. Therefore, it is essential to ensure that revenue records are updated before starting the process of acquisition.

8..11 NHA TO PROVIDE COMPLETE RECORDS:

For better transparency and monitoring, ADB may require NHA to keep complete records of the entire acquisition process and to provide copies of the same to ADB. That would demonstrate if all provisions are properly implemented or not.



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