



**Government of Khyber Pakhtunkhwa  
Khyber Pakhtunkhwa Rural Accessibility Project (KPRAP)**

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**RESETTLEMENT FRAMEWORK  
(Draft)**

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**Peshawar  
Communication and Works Department  
Government of Khyber Pakhtunkhwa**

## List of Acronym

APs	Affected Persons
APC	Affected Persons Committee
AD	Assistant Director
COI	Corridor of Impact
DCR	District Census Report
DD	Deputy Director
DO (R)	District Officer (Revenue)
DMS	Detailed Measurement Survey
EMA	External Monitoring Agency
GOP	Government of Pakistan
GRC	Grievance Redress Committee
IR	Involuntary Resettlement
IPs	Indigenous People
Km	Kilometres
KPRAP	Khyber Pakhtunkhwa Rural Accessibility Project
LAA	Land Acquisition Act 1894
LAR	Land Acquisition and Resettlement
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
IAs	Implementing Agencies
PIU	Project Implementation Unit
ROW	Right-of-Way
RF	Resettlement Framework
RP	Resettlement Plan
TOR	Terms of Reference
WB	World Bank

## Glossary

Term Used	Definition
Affected Households	Affected persons (APs) or Displaced Persons (APs) are persons affected by land and other assets loss as a result of project activities. These persons are affected because they may lose, be denied, or be restricted access to economic assets; lose shelter, income sources, or means of livelihood. These persons are affected whether or not they will move to another location. Most often, the term APs applies to those who are physically relocated. These people may have their: standard of living adversely affected, whether or not the Affected Person will move to another location; lose right, title, interest in any houses, land (including premises, agricultural and grazing land) or any other fixed or movable assets acquired or possessed, lose access to productive assets or any means of livelihood.
Census	A field survey carried out to identify and determine the number of Affected Persons (APs) or Displaced Persons (APs) as a result of land acquisition and related impacts. The census provides the basic information necessary for determining eligibility for compensation, resettlement, and other measures emanating from consultations with affected communities and the local government institutions
Compensation	Compensation The payment in kind, cash or other assets given in exchange for the acquisition of land including fixed assets, is called compensation. These include other impacts resulting from activities to rehabilitate or cushion the impacts from displacement
Cut-off Date	Cut-off Date The cut-off date is the date of commencement of the census of APs or APs within the project area boundaries. This is the date on and beyond which any person whose land is occupied for project, will not be eligible for compensation.
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.
Encroachers	People who move into the project area after the cut-off date and are therefore not eligible for compensation or other rehabilitation measures provided by the project or persons who have trespassed government land, adjacent to his/her own land or asset, to which he/she is not entitled, by deriving his/her livelihood there. Such act is called "Encroachment".
Entitlement	The range of measures comprising compensation in cash/voucher or kind, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and business restoration which are due to APs, depending on the type and degree nature of their losses, to restore their social and economic base.
Grievance Mechanism	The RF contains a grievance mechanism based on policies and procedures that are designed to ensure that the complaints or disputes about any aspect of the land acquisition, compensation, resettlement, and rehabilitation process, etc. are being addressed. This mechanism includes a procedure for filing of complaints and a process for dispute resolution within an acceptable time period
Household	A household means all persons living and eating together as a single-family unit and eating from the same kitchen whether or not related to each other.
Implementing agency	Implementing agency means the agency, public or private, that is responsible for planning, design and implementation of a development project.

Income restoration	Re-establishing income sources and livelihoods of APs.
Involuntary Resettlement	Land acquisition and resettlement for a public purpose on the basis of eminent domain law without the consent of displaced persons.
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.
Market Value	The most probable selling price or the value most often sought by buyers and sellers. It assumes buyers and sellers have reasonable knowledge, act competitively and rationally and are motivated by self-interest to maximize satisfaction and both act independently and without collusion fraud or misrepresentation.
Land Acquisition	Land acquisition means the process whereby a person is compelled by a public agency to alienate all or part of the land she/he owns or possesses, to the ownership and possession of that agency, for public purposes in return for fair compensation.
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.
Rehabilitation	Assistance provided to affected persons to supplement their income losses in order to improve, or at least achieve full restoration of, their pre-project living standards and quality of life.
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.
Vulnerable APs	Distinct groups of people who might suffer disproportionately from resettlement effects. They are the households below poverty line or will become below poverty line as a result of loss to assets and/or livelihoods, female headed households, or disabled persons.

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## Executive Summary

The Government of Khyber Pakhtunkhwa (GOKP), through the Communication and Works Department (CWD) intends to receive a loan from the World Bank (WB) for implementation of the proposed Khyber Pakhtunkhwa Rural Accessibility Project (KPRAP) (the Project). To address the potential resettlement impacts of the project and to provide principles and procedures for resettlement planning and implementation, this Resettlement Framework (RF) has been prepared, in compliance with the WB Environmental and Social Framework (ESF) as well as the relevant legislation of Pakistan relating to the resettlement aspects.

### Project Overview

The project development objective is to improve rural access to schools, health facilities, and markets through safe and climate resilient infrastructure in Khyber Pakhtunkhwa (KP). The Project components include: 1) Safe and climate resilient access that would include financing, upgradation and rehabilitation of selected rural roads in priority districts across the province, including the newly merged districts (NMDs); 2) Safe Girl' journey to school that will focus on five priority districts of KP, with the major enrolment and attendance gaps of girls; 3) Project management and institutional strengthening; and 4) Contingent Emergency Response.

This document represents the Resettlement Framework (RF) to address issues of compensation, resettlement and rehabilitation (R&R) related to all affected persons (APs) of the Project. RF outlines objectives, policies and laws guiding the possible R&R in the Project. It also lays down the procedures for acquisition and/or purchase of land for the project. Once the subproject details are known during the project implementation, the RF will assist CWD in screening all subprojects for land acquisition and resettlement impacts and will apply to all subprojects/activities to be identified within the project target areas. The RF will then guide CWD in preparing subproject-specific Resettlement Plans (RPs), in compliance with the WB ESF.

### Principles and Objectives Governing Resettlement and Implementation

In compliance with the World Bank's Environment and Social Standard 5 (ESS5) and national legislation, this RF applies to all subprojects and components of the Project that could affect land, assets, and livelihoods. It applies to all eligible persons regardless the severity of impact and whether they have legal title to land or not. Besides the need for land, which could cause physical and economic displacement:

- Restrictions on the use of land that would affect future uses.
- Loss of standing crops, trees, other property, income sources, or livelihoods due to damage or destruction that result from project activities
- Restricted access to natural resources, public places, or services that results in economic losses.

The RF provides policies and procedures to determine requirements of the World Bank to assess potential risks and impacts. The objectives of the RF are to: (i) guide the PIU, in identifying, compensating, and restoring the livelihoods of APs, (ii) serve as a binding document to ensure payment of compensation and assistance to APs, and (iii) provide direction in preparing, updating, implementing and monitoring of subproject Resettlement Plans (RPs).

### Process for Preparing and Approving Resettlement Plans

The preparation of RPs for each subproject will require a detailed social assessment that will include social impact assessment, screening, consultations with APs and other key



stakeholders, preparation of inventory of lost assets followed by a detailed measurement survey and census of APs, a socio-economic survey, and valuation of lost assets and preparing a resettlement database followed by the RP compilation and its approval by World Bank.

### **Estimated Displacement Impacts and Categories**

The proposed KPRAP subprojects involving upgrading and rehabilitation of rural roads have the potential to cause social impacts including involuntary resettlement. However, at this initial preparation stage of the Project, it is difficult to estimate the extent of resettlement impacts including number or likelihood of people to be negatively impacted by the Project, as the locations and other details have not yet been determined.

It is assessed preliminarily that the project will have limited permanent land needs for upgrading and rehabilitation of roads. The road improvement works will mostly follow the existing Right of Way (RoW) and will generally have limited impacts whether permanent or temporary. These will be assessed during project implementation phase when the subproject details are known.

The project works also have the potential of causing some limited livelihood impacts to any roadside shops that may be disturbed and some possible impacts on roadside crops that may be damaged because of the construction works. There is also a possibility that some parts of the RoW where project works will be carried out are occupied by encroachers and hence the project may cause some impacts including displacement and livelihood impacts on such encroachers.

During the design and construction phases of the project, all efforts will be made to ensure that the resettlement impacts caused by the project are avoided in the first place and if that is not possible for some subprojects, then these impacts are minimized. This can be achieved through making changes in the road designs, such as keeping the width of the road within the existing RoW; or adjusting the construction methodology and practices such as avoid using the road side cultivation fields for placing/storing construction materials or movement of construction machinery.

The subprojects are likely to have two categories of effects: permanent or temporary. Permanent effects will result in loss of use of property, crops, trees, or land of APs as a result of the subproject activities. This is likely to occur along the proposed RoW of the roads. Temporary effects will result in an interruption in the current use of property or land of the APs. This is likely to occur at the sites of construction camps that would be needed for the project personnel and borrow pits that may be needed for the construction works.

APs may be categorized as: (i) individual persons or households affected subject to loss of property and or access to natural resources or income generating activities due to project interventions; (ii) vulnerable households; (iii) elderly people unable to work; (iv) and female-headed households.

Though willing-buyer-willing seller approach will be the first priority for the subprojects requiring land to be acquired, there might be a possibility that this approach may not work for some subprojects with limited site options due to technical considerations and some encroachers may also be identified for displacement. Keeping this in view, implementing agencies have prepared this RF in accordance with ESS5 which has been consulted on, reviewed and cleared by the Bank, and disclosed in-country and on the Bank system before project appraisal. In such case, the requirement to prepare RPs guided by RF and will be included in the Environment and Social Commitment Plan (ESCP).

## Eligibility Criteria for Defining Various Categories of Displaced Persons

APs losing land (agriculture, barren or houses), structures (residential or commercial), assets, or income, are entitled for compensation and rehabilitation subsidies, including a relocation subsidy, and a business losses allowance. The informal land users without traditional/recognizable rights and encroachers losing land will not be entitled to land compensation but will be provided compensation for their assets including structures, businesses and resettlement and rehabilitation assistance. The entitlement matrix presented below defines the eligibility and criteria for providing compensation and assistance for various types of resettlement impacts that are likely to be caused by the project.

### Eligibility and Compensation Entitlement Matrix

Type of Loss	Specification	Eligibility	Entitlements
<b>1. LAND</b>			
Permanent impact on arable land	All land losses independent of impact severity	Owner (titleholder, or holder of traditional rights)	<ul style="list-style-type: none"> <li>Land for land compensation through provision of plots of equal value and productivity as that of lost, or</li> <li>Cash compensation at full replacement cost either through negotiated settlement between the IA and the land owners or assessed based on provisions of Section 23 of Land Acquisition Act (LAA) including fair market value plus damages/costs applicable free from taxes and levies plus 15% compulsory land acquisition surcharge from publication date of section-4 to the date of compensation.</li> <li>If Board of Revenue (BoR)<sup>1</sup> compensation falls below replacement cost (RC), the project will pay the differential as resettlement assistance to the APs to restore affected livelihoods.</li> <li>Resettlement Assistance equivalent to six months of provincial government announced monthly minimum wages, if the impact is 10% or more of productive arable land.</li> </ul>
		Leaseholder titled/untitled	<ul style="list-style-type: none"> <li>Compensation commensurate to lease type and as appropriate for recovery of paid advance or paid lease amount for the remaining lease period but up to two years maximum.</li> <li>Crop compensation for standing crop with an additional crop (based on relevant cropping pattern/cultivation record) and other appropriate rehabilitation as transitional support under other entitlements.</li> </ul>

<sup>1</sup> Board of Revenue, provincial agency with a mandate to approve compensation rate/amount

Type of Loss	Specification	Eligibility	Entitlements
		Sharecropper/tenant (titled/untitled)	<ul style="list-style-type: none"> <li>Cash compensation equal to gross market value of crop compensation (see crop compensation below) to be shared with the land owner based on the sharecropping arrangement.</li> </ul>
		Agriculture laborers	<ul style="list-style-type: none"> <li>The agricultural laborers facing employment/wage loss because of land acquisition will be entitled to income rehabilitation allowance in cash equal to net value of one crop season based on relevant cropping pattern/cultivation record or 3 months officially designated minimum wage.</li> </ul>
		Encroachers	<ul style="list-style-type: none"> <li>No compensation for land loss</li> <li>Income rehabilitation allowance in cash equal to net value of annual crop production and other appropriate rehabilitation to be defined in the RPs based on project specific situation and AP consultation.</li> </ul>
Residential/commercial land	All land losses independent of impact severity	Titleholder, or holder of traditional rights	<ul style="list-style-type: none"> <li>Cash compensation at full replacement cost (RC) including fair market value plus 15% compulsory acquisition surcharge all transaction costs, applicable fees and taxes and any other payment applicable</li> <li>If BoR compensation falls below RC, the project will pay the differential as resettlement assistance to the APs to restore affected livelihoods.</li> </ul>
		Lessee, tenant	<ul style="list-style-type: none"> <li>Cash refund/payment at the rate of lease or house rent for remaining lease period or house rent</li> </ul>
		Renter/leaseholder	<ul style="list-style-type: none"> <li>Rent allowance in cash equivalent to 3-6 months' rent to be decided in consultation meetings with APs.</li> </ul>
		Non-titled user without traditional rights (squatters)	<ul style="list-style-type: none"> <li>No compensation for land loss</li> <li>Self-relocation allowance in cash equivalent to 3-6 months livelihood based on minimum wage rate, or as assessed based on income analysis.</li> <li>Where required, additional support required ensuring improved standard of living to be determined through the social impact assessment.</li> </ul>
Temporary land occupation	Land temporarily required	Owner, lessee, tenant	<ul style="list-style-type: none"> <li>Rental fee payment for period of occupation of land, as mutually agreed by the land owner and contractor;</li> <li>Restoration of land to original state; and</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
	during civil works		<ul style="list-style-type: none"> <li>Guaranteed access to structures (if any) and remaining land with restored infrastructure and water supplies.</li> </ul>
		Non-titled user	<ul style="list-style-type: none"> <li>Guaranteed access to land and structures located on remaining land with restored access to water supplies for irrigation (if applicable)</li> <li>Restoration of land to original state; and</li> <li>Income rehabilitation support, i.e., compensation for lost crops/trees as per entitlements provided (refer crop and tree section below).</li> </ul>
<b>2. STRUCTURES</b>			
Residential, agricultural, commercial, public, community	Partial Loss of structure	Owner (including non-titled land user)	<ul style="list-style-type: none"> <li>Cash compensation for affected structure (taking into account functioning viability of remaining portion of partially affected structure) for its restoration to original use) at full replacement cost computed at market rate for materials, labor, transport and other incidental costs, without deduction of depreciation.</li> <li>Right to salvage materials from lost structure</li> </ul>
		Lessee, tenant	<ul style="list-style-type: none"> <li>Cash refund at rate of rental fee proportionate to size of lost part of structure and duration of remaining lease period already paid.</li> <li>Any improvements made to lost structure by a tenant will be taken into account and will be compensated at full replacement cost payable as per agreed apportionment through consultation meetings.</li> </ul>
	Full loss of structure and relocation	Owner (including non-titled land user)	<ul style="list-style-type: none"> <li>The AP may choose between the following alternatives:</li> <li>Provision of fully titled and registered replacement structures at relocation site (if any) comparably of equal size and value as that of lost one including payment of all transaction costs, fees and taxes applicable under law.</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>Cash compensation at full replacement cost, including all transaction costs, such as applicable fees and taxes, without deduction of depreciation for age, for self-relocation.</li> <li>In any case, AP has the right to salvage the affected structure.</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
		Lessee, tenant	<ul style="list-style-type: none"> <li>• Cash refund at rate of rental fee proportionate to duration of remaining lease period;</li> <li>• Any improvements made to lost structure by lessee/ tenant will be taken into account and will be compensated at full replacement cost payable as per agreed apportionment through consultation meetings.</li> </ul>
	Moving of minor structures (fences, sheds, latrines etc.)	Owner, lessee, tenant	<ul style="list-style-type: none"> <li>• Cash compensation for self-relocation of structure at market rate (labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age) or relocation of the structure by the Project.</li> </ul>
	Stalls, kiosks, cabins	Vendors (including titled and non-titled land users)	<ul style="list-style-type: none"> <li>• Allocation of alternative location comparable to lost location, or</li> <li>• Cash compensation for self-relocation of stall/kiosk at market rate (labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age)</li> </ul>
<b>3. Crops</b>	Affected crops	Cultivator	<ul style="list-style-type: none"> <li>• Cash compensation (one- year crop) at current market rate proportionate to size of lost plot, based on crop type and highest average yield over past 3 years or as assessed through the Agricultural Department.</li> </ul>
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> <li>• Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share.</li> </ul>
<b>4. Trees</b>	Affected crops	Land owner/ Cultivator	<ul style="list-style-type: none"> <li>• Cash compensation for fruit trees at current market rate of crop type and average yield (i) multiplied, for immature non-bearing trees, by the years required to grow tree to productivity or (ii) multiplied, for mature crop bearing trees, by the average years of crops forgone; plus, cost of purchase of seedlings and required inputs to replace trees.</li> <li>• Cash compensation for timber trees at current market rate of timber value of species at current volume, plus cost of purchase of seedlings and required inputs to replace trees.</li> </ul>
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> <li>• Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share</li> </ul>
<b>5. RESETTLEMENT &amp; RELOCATION</b>			

Type of Loss	Specification	Eligibility	Entitlements
Relocation Assistance	All types of structures affected	All APs titled/untitled requiring to relocate as a result of losing land and structures	<ul style="list-style-type: none"> <li>The project will provide logistic support to all eligible APs in relocation of affected structures whether project-based relocation or self-relocation as applicable.</li> <li>If project-based relocation is needed, APs will be provided with access to civic amenities including electricity, water supply and sewage as well as school and health center (if applicable).</li> </ul>
Security of tenure	Replacement land and structures	All APs and tenants needing to relocate to project relocation sites.	<ul style="list-style-type: none"> <li>If APs are required to relocate to project relocation sites, they will be provided with secure tenure to the replacement land and structures.</li> </ul>
Transport allowance	All types of structures requiring relocation	All APs and tenants required to relocate as a result of losing land and structures	<ul style="list-style-type: none"> <li>For residential structure a lump sum amount of Pakistan Rupees (PKR) 30,000 or higher depending upon the situation on ground.</li> <li>For commercial structure or agricultural farm structure a lump sum amount of PKR 20,000 or higher depending upon the situation on ground.</li> </ul>
House rent	All types of structures requiring relocation	All APs and tenants required to relocate as a result of losing land and structures	<ul style="list-style-type: none"> <li>Rental assistance as a lump sum amount computed on the basis of prevailing rental rate for a period as agreed between the AP and project team, to assist the APs in renting house or commercial structure.</li> </ul>
Transition allowance	All types of structures requiring relocation	All APs and tenants required to relocate	<ul style="list-style-type: none"> <li>On a case-to-case basis, transitional allowance equal to 3 months of recorded income or equal to officially designated minimum wage rate.</li> </ul>
<b>6. INCOME RESTORATION</b>			
Impacted land-based livelihoods	All land losses	All APs with land-based livelihoods affected	<ul style="list-style-type: none"> <li>Partial loss of arable land: APs will be provided support for investing in productivity enhancing inputs, such as land leveling, erosion control, irrigation infrastructure and farming tools, fertilizers and seeds etc., as feasible and applicable.</li> <li>Full Loss of arable land: Project based employment for the willing APs will be worked out and included in bidding documents or training with additional financial support to invest as well as</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
			organizational/logistical support for establishing alternate means of livelihood.
Restricted access to means of livelihood	Avoidance of obstruction by subproject facilities	All APs	<ul style="list-style-type: none"> <li>Un-interrupted access to remaining agricultural fields, business premises and residences of persons in the project area will be ensured in consultation with the APs.</li> </ul>
Businesses	Temporary business loss due to LAR or construction activities by Project	Owner of business (registered, informal) This also includes hawkers and vendors.	<ul style="list-style-type: none"> <li>Cash compensation equal to lost income during period of business interruption up to 3 months based on officially designated minimum wage rate of the provincial government.</li> </ul>
	Permanent business loss due to LAR without possibility of establishing alternative business	Owner of business (registered, informal) This also includes hawkers and vendors.	<ul style="list-style-type: none"> <li>Cash compensation equal to lost income for 6 months based on officially designated minimum wage rate;</li> <li>and</li> <li>Provision of project-based employment or a training opportunity to one of the adult household members.</li> </ul>
Employment	Employment loss (temporary or permanent) due to LAR.	All laid-off employees of affected businesses	<ul style="list-style-type: none"> <li>Cash compensation equal to lost wages at comparable rates as of employment record for a period of 3 months (if temporary) and for 6 months (if permanent) or in absence of record computed based on official minimum wage rate.</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>Provision of project-based employment or re-training, with additional financial as well as organizational/logistical support to establish AP in alternative income generation activity.</li> </ul>
<b>7. PUBLIC SERVICES AND FACILITIES</b>			
Loss of public services and facilities	Schools, health centers, administrative services, infrastructure services, graveyards etc.	Service provider	<ul style="list-style-type: none"> <li>Full restoration at original site or re-establishment at relocation site of lost public services and facilities, including replacement of related land and relocation of structures according to provisions under sections 1 and 2 of this Entitlement Matrix.</li> </ul>
<b>8. SPECIAL PROVISIONS</b>			
Vulnerable APs	Livelihood improvement	All vulnerable APs including those below the poverty	<ul style="list-style-type: none"> <li>In addition to applicable compensation entitlements for lost assets, relocation and</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
		line, the landless, households headed by women and children	livelihood restoration, the vulnerable APs will be provided with: <ul style="list-style-type: none"> <li>• Subsistence allowance for 3 months computed on the basis of officially designated minimum wage rate and other appropriate rehabilitation measures to be defined in the RPs and consultations with APs.</li> <li>• Preference for provision of project-based employment.</li> </ul>

## Legal and Policy Framework

This RF is designed per the regulatory framework of Pakistan and the World Bank’s Environment and Social Framework (ESF) performance standards, specifically ESS 5. The primary objective of ESS 5 is to ensure that APs are assisted to improve, or at a very minimum restore, their pre-project living standards, income earning capacity, and production levels. However, the country’s regulation, particularly the LAA does not fully recognize resettlement and rehabilitation of all APs. To bridge such gaps, resettlement principles have been developed for the Project.

## Methods of Valuing Affected Assets

The ESS5 requires that the compensation for acquired assets should be on replacement cost basis including fair market value, transaction costs, transitional support, interest accrued and other applicable payment under law. Accordingly, land, houses and other structures will be valued at replacement cost based on construction type and size of the affected structure and prevalent labor cost in the area. No deductions will be made for depreciation, salvageable materials or transaction costs and taxes. Rates will be evaluated by a valuation committee including representatives of the IA, APs, and relevant line department to determine replacement cost. Rehabilitation or replacement of affected structures and utilities (i.e., schools, mosques, etc.) to pre-Project level will be ensured.

## Organizational Procedures for Delivery of Compensation and Resettlement Assistance

CWD through the Project Implementation Unit (PIU) will have the overall responsibility for the preparation, implementation and financing of all tasks set out in this RF, as well as inter-agency coordination required for the implementation of the subprojects. All resettlement planning and implementation tasks will be handled by the social development specialist(s) that will be engaged in PIU. The PIU will have environment, social, resettlement and gender specialists and will be supported by Design and Supervision Consultants, External Monitoring Agency and district government departments.

## Implementation Process – Linking Resettlement to Civil Works

The implementation process needed to put into action according to the provisions of provincial regulations and World Bank ESS5 require subproject resettlement plans to be prepared in compliance with this RF. The resettlement implementation process will, therefore, be closely related to the overall project’s organizational and implementation arrangements. No civil works should begin until all APs receive the approved compensation package. Civil works should,



therefore, be linked with the completion of land acquisition process.

### **Grievance Redress Mechanism**

The project will establish a Grievance Redress Mechanism (GRM) to address the concerns and grievances of project affected persons and other stakeholders. A three-tier GRM has been proposed to provide a time-bound, early, transparent and fair resolution for APs' and other stakeholders' grievances regarding environmental and social (E&S) management of each subproject, including any resettlement issues. The purpose of the GRM is to receive, review and resolve grievances from APs and facilitate the fair implementation of this RF and subproject RPs. Grievances related to gender-based violence (GBV)/SEA/SH will be handled as a separate category within the GRM system.

### **Arrangement for Resettlement Funding**

Allocation and provision of financial resources is the responsibility of the IA (CWD) for effective management of project resettlement requirements, including clearance of public land specified for civil works/construction from encumbrances, establishment of relocation/resettlement sites, payment of compensation for acquired assets, relocation and resettlement costs, and implementation of income restoration measures.

### **Mechanism for Consultation and APs Participation**

Stakeholder Engagement is an integral part of resettlement planning and RP preparation and implementation for each subproject under the Project. A stand-alone Stakeholder Engagement Plan (SEP) has been prepared, which includes communication strategy to inform key stakeholders, including the affected communities, to effectively understand, engage in and support the development of the project.

Some limited consultations with the Project stakeholders were undertaken during March 2022. Consultations were carried out in selected districts of KP with relevant institutions and government departments/agencies, experts, and beneficiaries, for identification and assessment of environmental and social (E&S) impacts, and to recommend measures to improve environmental and social management capacity based on their comments, and suggestions. The RF will be disclosed on the World Bank and IA's websites by appraisal of the project.

### **Arrangement for Monitoring and Evaluation**

Resettlement tasks will be monitored internally and externally (by independent or third-party monitors). Internal monitoring will include day to day tracking of progress about resettlement planning and implementation activities, including compensation payments, rehabilitation and income restoration measures implemented. The PIU will be responsible for internal monitoring and sharing RP implementation progress, and periodic monitoring, reports with CWD and the World Bank. The external monitor will verify compensation payments, rehabilitation and income restoration measures and report to PIU and World Bank.

# 1. Project Description

## 1.1. Introduction

The Government of Khyber Pakhtunkhwa (GoKP), through the Communication and Works Department (CWD) intends to receive a loan from the World Bank (WB) for implementation of the proposed Khyber Pakhtunkhwa Rural Accessibility Project (KPRAP) (the Project). To address the potential resettlement impacts of the project and to provide principles and procedures for resettlement planning and implementation, this Resettlement Framework (RF) has been prepared, in compliance with the WB Environmental and Social Framework (ESF) as well as the relevant legislation of Pakistan relating to the resettlement aspects.

## 1.2. Project Development Objectives and Components

The Project Development Objective is to improve rural access to schools, health facilities, and markets through safe and climate resilient infrastructure in Khyber Pakhtunkhwa (KP). The project aims to improve all weather access to schools, healthcare facilities and markets in 18 priority districts of the KP province.

**Component 1: Safe and climate resilient access.** This component would include financing, upgradation and rehabilitation of selected rural roads in priority districts across the province, including the newly merged districts (NMDs). It will ensure provision of climate resilient roads providing improved all-weather accessibility to basic services. A geo-spatial analysis was run on the long lists of roads<sup>2</sup> shared by the GoKP as the base, and determined which roads, if upgraded, would maximize access gains to schools, markets, and healthcare facilities<sup>3</sup> considering climate change risks. It will also provide financing for climate resilience ensuring all-weather accessibility to basic services and savings in the recurrent reconstruction costs. The upgraded roads<sup>4</sup> would maximize access gains to schools, markets, and healthcare facilities<sup>5</sup>. Road improvement under this component will also consider climate resilience measures, including but not limited to raising the embankments (if need be), provision of side drains, improvement of culverts, ditches, vegetation, bridges, enhanced slope protection, adopting design standards for pavements that reflects a higher level of climate resilience, a decision to seal previously gravel roads, and geometric improvement of roads to enhance road safety. Drainage design will take the effects of more frequent and increased precipitation. In addition, the component will include green techniques to mitigate effects of rainfall and high temperatures. This component will also improve infrastructure in the vicinity of education, health facilities and marketplaces to ensure safety of pedestrians and cyclists to and from these facilities. These improvements will include, but not limited to, provision of sidewalks, bike lanes (if need be), road markings, signage, traffic calming measures i.e., rumble strips, marking of reduced speed zones, delineators, and guard rails etc. This component will also provide basic fiberoptic infrastructure i.e. ducts and manholes alongside the project roads to improve internet connectivity. Under this component the Bank will also finance the designs, construction, supervision, COVID-19 health protocols, gender-based violence (GBV) action plans,

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<sup>2</sup> A list of 87 roads with a total length of approximately 1,600 km has been prepared by the GoKP.

<sup>3</sup> Health care incorporates primary/secondary/ tertiary facilities. "Markets" refers to all markets, however access to central markets and the provincial capital, Peshawar, are also available separately.

<sup>4</sup> A list of 76 roads with a total length of approximately 1,200 km has been prepared by the GoKP.

<sup>5</sup> Health care incorporates primary/secondary/ tertiary facilities. "Markets" refers to all markets, however access to central markets and the provincial capital, Peshawar, are also available separately.

emergency, and contingency plans to address natural disasters and auditing. The GoKP will be responsible for the utility relocation, compensations and other social costs.

**Component 2. Safe Girl' journey to school.** The project activities for this component will focus on 5 priority districts of KP, with the major enrolment and attendance gaps of girls. The specific short list of schools and beneficiary girls (primary, middle and high schools) will be selected by the Department of Education of the GoKP in the first year of the project implementation during the rehabilitation of roads. In the second year the component will be fully implemented in the 5 districts and the results will be assessed from the beginning of the third year of project implementation. This component will integrate road access (financed by Component 1) and improvement of school transport services to improve access to schools for girls in 5 priority districts.

**Component 3: Project management and institutional strengthening.** This component will cover two subcomponents: a) Project Management covering administrative and operational arrangements related to implementation and monitoring of Component 1 and 2, technical assistance (TA), the core staff of the project implementation unit (PIU), auditing, capacity building for the PIU staff, education department and implementation and monitoring of the environmental and social safeguards standards (E&S); and b) Institutional Strengthening Program covering a comprehensive road sector reforms to improve policies for road sustainability, road funding, financing and the capacity of CWD to select, prepare, allocate efficient resources, procure and manage road works contracts including emergency works<sup>6</sup>.

**Component 4. Contingent Emergency Response.** This is a zero-dollar component that can be triggered in future crises, considering the vulnerability of KP.

### 1.3. Project Cost and Timeline

The total cost of the project is US\$310 million, out of which US\$300 million will be financed by WB and US\$10 million by the GoKP as counterpart financing. The project is expected to commence in 2022 and will be completed by 2028.

### 1.4. Project Beneficiaries

The project will provide better roads for 5 million inhabitants out of which 2.4 million are women in 18 priority districts and better roads and safe transport to school for 20,000 girls in 5 priority districts. Improved access to education, health and markets will improve opportunities for girls, to complete the 3 levels of education and access to labor market with a higher potential income in the long-term that will support the reduction of gender poverty; better access to health services will improve quality of life of mothers and children (pregnant women, post-natal check-up, vaccination, etc.); and, access to markets will reduce production losses and improve farmers' income. The first group of beneficiaries includes road users and people living near the roads to be maintained, who will benefit from improved road conditions. More resilient roads will reduce reconstruction costs after natural disasters (flooding and landslides) and ensure all-weather access to services. In addition, the project will support the reduction of travel time for users and transport costs for operators. Both Components 1 and 2 have a positive impact on the education, health and income of rural communities. The project will also improve the capacity of CWD for road prioritization based on geospatial analysis, climate risks management, funding, financing and long-term road sustainability, as well as the improvement of the technical credibility to manage additional resources with more efficiency

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<sup>6</sup> In event of floods, landslides, earthquakes and other natural disasters etc.

gains. The project will generate employment opportunities for women during the construction and post construction phase, helping to minimize the recent socio-economic impact of COVID-19. Small scale farmers will benefit through lower transport costs and efficient movement of their produce especially time and temperature sensitive produce.

## **1.5. Potential Resettlement Impacts**

The proposed KPRAP subprojects involving upgrading and rehabilitation of rural roads have the potential of causing social impacts including involuntary resettlement. However, at this stage of the Project, it is difficult to estimate the extent of resettlement impacts including number or likelihood of people to be negatively impacted by the Project, as the locations and other details have not yet been determined.

It is assessed preliminarily that the project will have limited permanent land needs for upgrading and rehabilitation of roads. The road improvement works will mostly follow the existing Right of Way (RoW) and will generally have limited resettlement impacts whether permanent or temporary. These will be assessed during project implementation phase when the subproject details are known.

The project works also have the potential of causing some limited livelihood impacts to roadside shops that may be disturbed and some possible impacts on road side crops that may be damaged because of the construction works.

The subprojects are likely to have two categories of effects: permanent or temporary. Permanent effects will result in loss of use of property, crops, trees, or land of affected persons (APs) as a result of the subproject activities. This is likely to occur along the proposed RoW of the roads. Temporary effects will result in an interruption in the current use of property or land of the APs. This is likely to occur during at the sites of construction camps that would be needed for the project personnel and borrow pits that may be needed for the construction works.

APs may be categorized as: (i) individual persons or household affected subject to loss of property and or access to natural resources resulting from the project; (ii) vulnerable households; (iii) elderly people unable to work; (iv) and female-headed households.

During the design and construction phases of the project, all efforts will be made to ensure that the resettlement impacts caused by the project are avoided in the first place and if that is not possible for some subprojects, then these impacts are minimized. This can be achieved through making changes to the road designs, such as keeping the width of the road within the existing RoW; or adjusting the construction methodology and practices such as avoid using the road side cultivation fields for placing/storing construction materials or movement of construction machinery.

## **1.6. Implementing Agency**

CWD under GoKP will implement the project through a dedicated Project Implementation Unit (PIU). The PIU has been created and is headed by a Project Director (PD) who is a senior CWD staff. The PD is assisted by a team comprising of procurement specialist, infrastructure engineer, environment and social specialist and a financial specialist. An education specialist will join during the first year of implementation. The PIU will be supported by a Design and Supervision (D&S) Consulting firm. The GoKP has hired individual consultants to work with the respective team members of PIU as a stop gap arrangement till the completion of hiring process of a D&S firm. Upon completion, the respective roads will be handed back to the field formations of CWD for its routine maintenance.

## **1.7. Scope of Resettlement Framework**

The present RF has been prepared to address the potential resettlement impacts of the project particularly activities under component 1. The RF outlines objectives, policies and laws guiding the possible resettlement and rehabilitation (R&R) in the Project. To offset the losses and disturbance to the APs, the RF also defines the entitlements which would be used for compensating the APs. This document provides overarching and binding principles to be applied in case of any permanent or temporary physical and economic displacement resulting from land acquisition or restriction to land use undertaken or imposed in connection with the Project implementation. These principles shall govern all actions of the PIU and its representatives, their subsidiaries if any, contractors, as well as all other governmental and local institutions involved in the Project implementation.

## **1.8. Need for Resettlement Framework**

The WB's Environmental and Social Standards under Environmental and Social Framework (ESF) (October, 2018) set out the requirements for IAs relating to the identification and assessment of environmental and social risks and impacts associated with projects supported by the Bank through Investment Project Financing (IPF). The Bank believes that the application of these standards, by focusing on the identification and management of environmental and social risks, will support Borrowers in their goal to reduce poverty and increase shared prosperity in a sustainable manner for the benefit of the environment and people.

Under the ESF, the Environmental and Social Standard 5 (ESS5) on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. To prevent, avoid, mitigate, and reduce adverse social impacts and risks and to meet ESS5 requirements, this RF has been developed as the extent and location of subprojects are not known at this stage. Once the subprojects and their locations are defined and the necessary information becomes available, this RF will guide the preparation of specific resettlement plans (RPs) proportionate to potential risks and impacts. Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized and approved by the Bank.

This RF will assist the CWD in: i) screening all subprojects for land acquisition and resettlement impacts resulting from such land acquisition; and ii) identifying mitigation measures and documentation preparation requirements for compliance with World Bank ESF.. The RF will form part of the project's Operations Manual and be referenced in the Project and Legal Agreements.

The RF will apply to all subprojects/ activities to be identified within the project target areas. The procedures will be carried out through-out preparation and implementation and impacts of any potential resettlement will be included in monitoring and evaluation (M&E). When an RP is required, it will be prepared in accordance with guidance provided for in this RF, including detailed measurement surveys, census of APs, and public consultation and disclosure. This framework shall cover all project activities and shall apply to all APs regardless of their total number, the severity of impact, and whether or not the AP have legal title to the land occupy/use. Since resettlement often affects the most vulnerable and marginalized groups (economically, politically, and socially), the RF shall be particularly sensitive to the effects which displacement may have on these groups, including the poor, landless, elderly, women, children, minorities, or persons with specific mental or physical disabilities.

## **1.9. Approach and Methodology**

The approach underlying the assessment of social impacts and developing appropriate mitigation strategies is based on the principles of local participation and consultations with stakeholders, including vulnerable groups. The assessment has been carried out with a participatory approach by involving the stakeholders, particularly the project beneficiaries and likely affected persons through a series of consultative processes and techniques. The impacts have been assessed by collecting both quantitative and qualitative data.

A combination of deskwork review and stakeholder participation formed the basis of this RF. Approaches used while preparing this RF included: (a) review of the project details, Stakeholder Engagement Plan (SEP) and the Environmental and Social Management Framework (ESMF) prepared for the Project; (b) review of the relevant national policies and acts including Land Acquisition Act 1894 with successive amendments, World Bank's ESF and ESS5; and (c) consultation with the APs and other key stakeholders; and (d) preliminary assessment of the potential resettlement impacts and associated issues.

## **1.10. Structure of the RF**

Section 2 outlines principles and objectives governing resettlement preparation and implementation; Section 3 explains a description of the process for preparing and approving resettlement plans; Section 4 describes estimated displacement and resettlement impacts and estimated numbers and categories of displaced persons, to the extent possible; Section 5 summarizes eligibility criteria for defining various categories of displaced persons. Additionally, Category of APs, type of losses due to land acquisition, cut-off date, forms of compensation and replacement cost are also presented in this section; Section 6 outlines the legislative requirements in resettlement and social management and presents the key issues in KPRAP in relation to implementing these requirements and reviews the fit between borrower laws and regulations and Bank policy requirements and measures proposed to bridge any gaps between them; Section 7 details methods of valuing affected assets; Section 8 describes institutional arrangements and procedures for delivery of compensation and other resettlement assistance, including the responsibilities of the IA (CWD) and other government departments; Section 9 provides a description of the implementation process, linking resettlement implementation to civil works; Section 10 discusses a description of grievance redress mechanisms; Section 11 explains the arrangements for funding resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements; Section 12 provides a description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring; and finally, Section 13 describes arrangements for monitoring by the IA (CWD) and progress reporting.

## **2. Principles and Objectives Governing Resettlement Preparation and Implementation**

### **2.1. Overview**

In compliance with the ESS5 and national legislation, this RF will be considered applicable if construction, installation and operation of the project causes physical or economic displacement and access restriction of people or households, even if this is only on a temporary basis. Subprojects under KPRAP could require permanent or temporary use of land, and thus result in physical or economic displacement (collectively referred to as “displacement” or “resettlement”).

This RF applies to all subprojects and components of the Project that could affect land, assets, and livelihoods and restrict access. It applies to all eligible persons regardless the severity of impact and whether they have legal title to land or not. Besides the need for land, which could cause physical and economic displacement, other types of economic displacement could include:

- Restrictions on the use of land that would affect future uses.
- Loss of standing crops, trees, other property, income sources, or livelihoods due to damage or destruction that result from project activities
- Restricted access to natural resources, public places, or services that results in economic losses.

This ESS requirements and provisions apply to all components of the project that result in involuntary resettlement, regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement, i.e., in the judgment of the Bank, are (a) directly and significantly related to the Bank-assisted project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneously with the project. It should be further noted that no changes to the RF, entitlement matrix, eligibility criteria, compensation rates or other entitlements to assistance can be made without prior approval of the World Bank. Any RPs prepared on the basis of this RF will also be subject to prior approval of the World Bank.

### **2.2. Resettlement Principles**

The following are the principles outlined in the World Bank’s ESS5 that have been adopted in preparing this RF. These principles should be followed during the preparation and implementation of this RF and the RPs:

- Where feasible, involuntary resettlement and land acquisition should be avoided or minimized by exploring all viable alternatives;
- APs are to be suitably assisted in their efforts to improve, or at least restore, incomes and living standards.
- APs are fully informed and consulted on compensation options.
- Lack of formal legal land title is not a barrier to compensation or alternative forms of rehabilitation assistance.
- If land acquisition and resettlement is conceived and executed as a part of the project, the full costs of compensation should be included in project costs and benefits.

- Compensation/rehabilitation assistance will be paid prior to displacement and prior to ground levelling, demolition, and in any case, before an impact occurs.
- Where relocation or loss of shelter occurs, measures to assist APs should be implemented in accordance with a plan of action for resettlement and compensation;
- The planning and implementation of the resettlement process should be conducted in a consultative manner with those to be affected.
- All APs will be assisted to restore their incomes and livelihood sources to at least pre-resettlement levels. Particular attention will be paid to the needs of the elderly, women and children, the handicapped, and the landless, among other vulnerable groups.
- Wherever possible, those impacted by involuntary resettlement should be considered for employment in various project activities including construction works and provision of other services.
- Vulnerable groups such as the physically challenged persons and women-headed households should be entitled to a special benefit package in addition to compensation entitlement.
- Ensure that APs have access to functioning grievance redress mechanisms
- The Project will monitor all aspects of the resettlement program to ensure the RF and subsequent RPs meet their objectives.

The RF includes measures to ensure that APs are (i) informed about their options and rights pertaining to resettlement; (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and (iii) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project.

Compensation is to be paid at full replacement cost to APs, without deductions for depreciation or any other purpose. It should be noted that according to World Bank's ESS5, the term "involuntary resettlement" encompasses more than the 'physical relocation or resettlement' of affected people. It is defined as the direct social and economic impacts of a project that are permanent or temporary and are caused by the involuntary taking of land resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (iv) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.

### **2.3. Resettlement Objectives**

The RF provides policies and procedures to determine requirements of the World Bank's ESS5 on Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement (IR), to assess potential expected risks and impacts, to identify detailed steps to develop appropriate mitigation measures, including mitigation and compensation for the impact caused under the project including:

The underlying objectives of the RF are to: (i) guide CWD in properly identifying, compensating, and restoring the livelihoods of APs, (ii) serve as a binding document to ensure payment of compensation and assistance to APs, and (iii) provide direction in preparing, updating, implementing and monitoring subproject RPs.

The specific objectives of the RF are to:



- Establish the Project resettlement and compensation principles and implementation arrangements;
- Describe the legal and institutional framework for resettlement, compensation and rehabilitation;
- Describe the consultation procedures and participatory approaches involving APs and other key stakeholders with relevant reference to the Stakeholder Engagement Plan (SEP);
- Determine the eligibility criteria for compensation to various categories of APs;
- Develop methods of valuing affected assets for purpose of compensations;
- Formulate methods to estimate the number of potentially affected persons, including type of property and structures such as land, houses, business premises;
- Delineate the implementation process of resettlement related activities and institutional measures for delivery of compensation and mitigation of negative impacts;
- Provide procedures for filing grievances and resolving disputes to be created and used during the preparation and implementation of RPs; and
- Formulate measures for monitoring and evaluation with specific monitoring indicators.

The failure to take into account potential involuntary resettlement in the KPRAP subprojects can increase the risk of difficulties in project implementation and negatively impact poverty reduction objectives.

## **3. Process for Preparing and Approving Resettlement Plans**

### **3.1 Process for Preparing Resettlement Plans**

It is anticipated that some subprojects under Component 1 of KPRAP may involve some limited permanent acquisition of agricultural and non-agricultural land. In addition, the contractors will require temporary acquisition of land for establishment of aggregate quarries, borrow pits, contractor's camps and other facilities. The permanent and temporary acquisition of lands may cause loss of crops, trees, housing structures, community pathways, and is likely to cause loss of employment and livelihoods.

As described in the previous chapters, RPs will be prepared based on census of affected persons and socio-economic survey of major impacted APs if any. Social impact assessment of APs will be undertaken for such subprojects to determine magnitude of displacement and prospective losses, identify vulnerable groups for targeting, ascertain costs of resettlement, and prepare R&R program for implementation. This RF and the processes and provisions described in it will be applied to all the subprojects under KPRAP. The following key tasks will be carried out for preparing RPs.

#### **3.1.1. Screening for Involuntary Resettlement**

The first step in the process of preparing a RP during project implementation is to conduct screening for all proposed subprojects to see whether potential land acquisition and resettlement might be involved for each subproject. This screening is to identify the types and nature of potential impacts related to the activities proposed, and to provide adequate measures to address them. It also ensures that the efforts of avoidance or minimization of resettlement will be made when designing project activities.

A sample screening checklist form is provided in **Annex 1** and will be incorporated into the Project's Implementation Manual/project operational manual. The screening checklist will be completed by a Resettlement Specialist and submitted to the PIU for a decision. On the basis of the screening process, the resettlement specialist will propose various options to address all resettlement risks including alternative project designs with a view to avoid and/or reduce displacement risks. The PIU will advise whether an additional option assessment should be carried out with a view to avoid or reduce the physical or economic displacement or whether the argument of the subproject proposal is providing sufficient evidence for the proposed decision. The Screening Review Checklist prompts the PIU to verify the information provided and confirms the best course of action. The level of detail and comprehensiveness of the resettlement plan will be commensurate with the significance of the potential resettlement impacts and risks. For subprojects not anticipated to cause any physical and economic displacement, this information will also be recorded in the subproject application form along with a request to waive the requirement for a RP preparation.

#### **3.1.2. Socio-economic Assessment and APs Profiling**

The preparation of RP for each subproject with land acquisition and resettlement (LAR) impacts will require a detailed social impact assessment which will be initiated at an early stage as part of planning and design of all subprojects to be financed under the Project. The social impact assessment will include initial LAR impact assessment, screening, preparation of inventory of lost assets followed by a detailed measurement survey and census of displaced persons, a socio-economic survey, and valuation of lost assets. The results of the IR and social

impact assessment will be presented in aggregate form in the subproject RPs, and impacts inventory linked to respective APs will be annexed in the document.

Socioeconomic assessment will include socioeconomic identification and profiling of APs. The key variables for survey and the data collection will focus on: (i) household composition and demography; (ii) education; (iii) livelihood patterns; (iv) ownership pattern of the households; (v) household income sources, income levels and expenditure patterns; (vi) availability and access level to social services; (vii) APs views on the project and various resettlement and rehabilitation options; (viii) specific impacts on the poor, indigenous people, women and other vulnerable groups. This step should take place at the same time as the inventory and valuation of assets affected for each individual AP. All data collection and presentation need to be disaggregated by gender and other relevant social characteristics, depending on the social groups of concern (for example IP, or vulnerable groups). During survey, attention will be paid to possible previous or future occurrence of displacement due to IR among the communities of the APs.

The sample size for socio-economic survey will depend on the expected number of the total displaced/households in a subproject. If the number of displaced households is high, a minimum sample of 20-25 percent of affected households will be considered appropriate for socio economic analysis. A smaller displaced population will require the sampling of a larger percentage and if the APs are below 100 than the efforts will be ensured to gather socio-economic information for all APs. Sampling will be a combination of purposive selection of specific groups in the population from various affected locations and random selection within these groups. Nonetheless, efforts will be ensured to conduct socio-economic analysis for all identified vulnerable households and those facing significant impacts irrespective to the size of displaced population.

For gathering socio-economic baseline information on above parameters, a mix of research methods/techniques will be used, including quantitative sample survey, focus group discussions, key informant interviews form a randomly selected sample size and walkthrough surveys to observe the area in which the APs live. The survey will be used to investigate the APs socio-economic condition, identify the project impacts on APs and to establish a benchmark/baseline for monitoring and evaluating the implementation of a subproject's compensation and rehabilitation programs. Once these steps are completed, RPs will be developed in line with this RF.

### **3.1.3. Consultations with Key Stakeholders**

In parallel to the AP survey, consultation with APs should be continued to identify their preferences and any special needs, (i.e., for vulnerable households) to be addressed in the RPs. In addition, a replacement cost survey will be undertaken to obtain information on market prices for houses (modern, traditional and simple), residential and agricultural land, crops, trees, and any other property or assets likely to be affected by the Project. Information on replacement rates should be collected from respective provincial, district, and village authorities and the local market, so that the cost estimates and replacement costs can be established in the RP.

The consultation with APs and with other key stakeholders has been initiated during the preparation of Stakeholder Engagement Plan (SEP) and will continue throughout the project lifecycle. The purpose of consultations during SEP preparation and resettlement planning is to inform APs about the nature and scale of project impacts, and decision making in all IR aspects especially eligibility, entitlements, unit rates of compensation, and resettlement and rehabilitation assistance.

As part of the preparation of SEP and RP, the consultations with other key stakeholders will also be conducted; these include government departments, civil society/non-profit organizations, non-Governmental organizations, community leaders, public representatives, academia, religious leaders, minorities and local voluntary organizations. PIU will ensure that consultation will continue during the all phases of RP preparation, implementation, monitoring, and evaluation of compensation payment and R&R assistance.

#### **3.1.4. Census and Inventory of Lost Assets**

The PIU's social specialist(s) will be responsible for IR planning and will work closely with the design engineers in the field to assess the social impacts in line with mitigation hierarchy for the purpose of RP planning and design. The PIU through the design consultants and its own social development specialist (and any other consultants if engaged) will: (a) procure requisite land ownership and land-use records about the land and assets subject to acquisition; (b) prepare topographic maps showing the subproject alignment with marked resettlement impacts preferably superimposed on the cadastral map showing the boundaries of impacted assets; and (c) will conduct impact assessment and census on 100% basis to prepare an inventory of lost assets in coordination with local land revenue staff, the APs and the local communities for each subproject involving LAR impacts.

Census of displaced households will follow the impact assessment and detailed measurement survey by using pre-structured questionnaire to enumerate all physically and economically displaced persons in a subproject, including all displaced households, and, if applicable, displaced enterprises as well. The census questionnaire will include sections on displaced household profile including limited demographic and socio-economic characteristics (family type and size (gender segregated), ethnicity, literacy status (gender segregated), household income level with income sources and vulnerability status in terms of poverty, disability and gender of household), household property (land and land-based assets) and project affected assets with title. The census will cover 100% of affected households.

The data on affected assets and census of APs will be used to prepare a quantitative Inventory of Lost Assets (ILA) linked to the entitled APs as part of the LAR impact database, including land, immovable property (buildings and other structures), and income losses. The ILA will be corroborated or updated with information from relevant government sources, where applicable, such as offices in charge of land administration and property registration. If necessary, outdated official records will be updated according to the current status of the AP's assets.

#### **3.1.5. Detailed Measurement Survey**

A detailed measurement survey (DMS) will be carried out with participation of APs for identifying and providing the measurement of the exact dimensions and quantities and valuation of all affected assets, including, as applicable, land (residential and agricultural), buildings, communal/public or cultural/religious facilities, crops, trees and business incomes and wages. The DMS will be the basis of the impact assessment the results will be included in the RP. The valuation for loss of houses and structures will be based on precise measurement and record of type, quality and measurement of materials and will be calculated based on replacement cost, i.e., cost of new building materials and labor.

Based on the detailed design available, through DMS exact size, type, and quality of each asset (land, structures or other assets appended to land) with quantum of impacted/acquired part, with ownership title, type and use will be determined and inventory of losses will be finalized by the resettlement specialists.

### **3.1.6. Information Dissemination to APs**

During resettlement plan preparation, resettlement information will be disclosed to all APs in their own language, and their views and opinions will be taken into consideration in finalizing the plans. These information will be associated with the land acquisition and other involuntary resettlement impacts that include the orientation on potential social and environment impacts of the project, results of social impact assessment, measures to mitigate the impacts, meaningful consultations, eligibility, entitlements, cut-off-date, RP disclosure, grievance redressal mechanism, unit costs for compensation, resettlement and rehabilitation assistance, RP implementation procedures, institutional responsibilities of RP implementation, time frames, cost estimates, monitoring, and the resettlement planning process. The information brochure in Urdu and local languages (eg, Pashto, Hindko, as applicable) will also be prepared and disseminated to all affected households. The brochure will provide brief project description; summary of project impacts; eligibility and entitlements; valuation of losses at full replacement cost; grievance redressal mechanism; livelihood restoration and improvement plan; implementation procedures; budget; contact details of PIU and site office staff for additional information.

### **3.1.7. Resettlement Database**

Following the completion of DMS and valuation of assets, the ILA linked to the APs census data will be updated by incorporating entitled compensation costs for the acquired assets and applicable relocation, rehabilitation and income restoration costs applicable against each acquired asset and payable to the respective APs. The updated ILA as well as socio-economic baseline of affected households (AHs) will be consolidated and maintained as a computerized LAR database for each subproject RP. This database will be used as baseline for subsequent implementation and monitoring of subproject RPs. This database will be kept updated by incorporating information on compensation payment against each paid AP for day-to-day tracking of RP implementation progress and generating periodic RP implementation progress and social monitoring reports to facilitate efficient safeguards management and monitoring of RP implementation progress.

## **3.2 Process for Approving Resettlement Plans**

Following the incorporation of comments from disclosure, the draft RP will be reviewed and approved by the Project Director (PD) of PIU, and the designated Resettlement Specialist. The PD will ensure that the RP complies with the RF and after approval, will submit it to the WB for compliance review with WB policies and procedures prior to providing clearance. The approved RP, together with translation in Urdu of the Executive Summary, will be posted on the website of CWD. The WB will also disclose the RP on its website. The translation of the RP will include the Cut-off date. This will exclude the cash compensation amounts to be paid to the AHs. Any changes to the RP would have to follow the same clearance/ approval procedures and disclosure.

## 4. Estimated Displacement Impacts and Categories

### 4.1 Anticipated Potential Project Impacts

The proposed subprojects under KPRAP involving upgrading and rehabilitation of rural roads may cause LAR impacts, as discussed in the previous chapters. These impacts are expected to be associated with expansion/extension of proposed works beyond the existing RoW. Construction of new roads are not expected to be included in the project at this stage. In addition, some IR impacts are likely to be caused by the subproject works on the roadside structures including houses and shops. Similarly, the subproject works can potentially cause some livelihood impacts on any roadside shops or cultivation fields along the subproject roads. There is also a possibility that some parts of the RoW where subproject works will be carried out are occupied by encroachers and hence the project may cause some impacts including displacement and livelihood impacts on such encroachers. The temporary land take for borrow pits and construction camps may also be needed for the subproject implementation.

At this stage in the project, it is difficult to estimate the number or likelihood of people to be negatively impacted by the Project, as the subproject locations and extent of the road rehabilitation and upgrading works have not yet been determined.

The subprojects are likely to have two categories of effects: permanent; and temporary. Permanent effects will result in a complete loss of use of property, crops, trees, or land of APs as a result of the subproject activities. This is likely to occur where rural roads are expanded or extended beyond the existing RoW. Temporary effects will result in an interruption in the current use of property or land of the affected persons. This is likely to occur during the construction works for the establishment of construction camps, use of borrow pits, movement of construction machinery or placing the construction material on the adjoining cultivation fields.

The potential IR impacts likely to be caused by the project are characterized in **Table 1** below.

**Table 1. Anticipated Resettlement Impacts under the Project**

Potential IR impacts	Probability	Action
Land takes not known at this stage; (if less than 10 affected households) Acquisition of certain part of private land parcels without or with associated loss of assets; change in use of public land under use by informal settlers.	Moderate	Preparation and implementation RP, compensation of losses
Temporary Impact on private land. Losses of productive assets (trees; ancillary buildings); Temporary losses of income for small businesses in the close vicinity of subproject roads.	Low	Assistance and/or compensation of losses.
Temporary Impact on private land. Losses of productive assets (trees; ancillary buildings); Temporary losses of income for small businesses within the ROW.	Low	Assistance and/or compensation of losses.

Potential IR impacts	Probability	Action
Temporary impact on the visual quality of private land; disturbance during construction works without any losses of income or property	Moderate	Impact mitigation measures within ESMP
Structural demolition resulting in physical relocation of households or businesses	Low	Preparation and implementation RP, compensation of losses
Loss of livelihood for reduction in income	Moderate	Preparation and implementation RP (that would include livelihood restoration plan when needed).
Restriction of access to land or natural resources, including informal users.	Low	Preparation and implementation RP, compensation of losses

## 4.2 Measures for Impact Avoidance

The RF strictly follows the strategy of avoidance, minimization and mitigation. To achieve that, the following safeguards and measures are proposed for the project:

- To minimize social impacts of subprojects, CWD and its consultants will consider different alternatives to avoid commercial areas and impact on settlements/ villages;
- Efforts will be made to select an alignment, where demolishing of both private and public structures/ infrastructure could be avoided;
- Only the minimal amount of land required for subproject will be secured.
- Construction of new roads will be avoided.
- Expansion or extension of roads beyond the existing RoW will be avoided to the extent possible. If unavoidable, the roads will preferably be expanded on the government land. Otherwise, land will be procured from the owner on a willing-seller-willing-buyer basis. In case that is not possible, land will be acquired on a market price or replacement cost basis in accordance with the Land Acquisition Act and the WB standard for involuntary resettlement.
- Crop damage caused by the construction activities will be minimized as far as possible. Compensation will be paid for the crops damaged during the construction activities. The compensation will be paid to the cultivator, and absence of the land title will not be a bar to receiving the compensation.
- Complete record will be maintained for the determination and payment of the compensation.

- Operation of project vehicles and construction machinery outside the RoW will be avoided. Attempts will be made to use existing tracks/roads to access the subproject locations, construction camps and borrow pits. In case new access routes are necessary, the cultivated land will be avoided as far as possible. Damage to crops will be compensated.
- Grievance redressal mechanism will be put in place to address the community concerns/feedback/complaints.

### **4.3 Categories of People likely to be displaced**

In the project context, according to the relevant national legislation and the World Banks ESS5, the various AP categories can be defined as follows:

- (1) An individual is affected when he/she is subject to loss of property and or access to income generating activities, and natural resources resulting from the subproject. For example, an individual who is cultivating land or owns a commercial or housing structure which would be affected by the subproject.
- (2) A household is affected when one or several of its members are subject to loss of property, land or access to land or other income-generating activity as a result of the subproject.
- (3) A vulnerable household may be affected.
- (4) Elderly people unable to work
- (5) Female-headed households.

The methods to be employed for the identification of APs will depend upon the nature and extent of adverse individual and collective impact by the subproject on affected persons with respect to: (a) land owners who lose some or all of their land, temporarily or permanently, (b) owners who lose their residence, (c) businesses that lose some or all of their structures, (d) owners of property who lose physical assets (fences, verandas), (e) residential and business renters who lose access to their leased space, (f) cultivators losing annual or perennial crops, fruit trees, (g) those who have no recognizable legal right or claim to the land they are occupying (i.e. squatters). Very few, if any, of these conditions are expected to be triggered by most subprojects to be carried out by this project, but this information is provided for completeness.

Records of APs with respective assets to be affected must be kept in order to ensure that all eligible people are compensated accordingly within the provisions of the national legislation and World Bank policy. PIU will be responsible for such record-keeping on.

### **4.4 Approximate Numbers of APs**

For each subproject during screening, if physical and/or economic displacement is established, the number of APs will be known through conducting a census survey and preparation of a RP, as described in the previous Chapter. At this stage, it is not possible to approximate the number of APs for each subproject to be approved under KPRAP.



## **5. Eligibility Criteria for Defining Various Categories of Displaced Persons**

### **5.1 Eligibility and Entitlements**

The basic principle followed in this RF is that APs should be assisted in their efforts to improve their pre-project living standards, income earning capacity, and production levels, or at least to restore them to pre-project level.

The eligible APs entitled for compensation under this RF may include but not limited to the categories defined below:

- Owners of land and assets, i.e., structures (residential/commercial or of any other use) with formal legal title to land and the recorded occupiers/users of land/assets as provided in the land record registers and cadasters etc.;
- The persons whose rights are not formal or legal but whose claims are recognized or recognizable under national laws or customs will be eligible for compensation against their affected land/assets. Such APs may include people who have customary usufruct right to the land that is held either by the community (collectively) or the state or people who have inherited, occupied, and utilized the land for generations but lack titles simply because the state has not formalized the land records and issued title to them.
- APs without formal legal rights or recognizable claims under national law and customs and may include all squatters, tenants, sharecroppers, and wage laborer. Although such APs will lack legal or recognizable rights to the land/asset but because of lost assets or impacted livelihoods they will be considered affected persons eligible to receive compensation of assets other than land and resettlement assistance.
- Cultivators or those whose livelihood is dependent on acquired land, business operators of affected commercial structures and their employees whether registered under law or informal and the identified vulnerable groups.

### **5.2 Cut-off-Date**

The eligibility for compensation will be limited to the government announced cut-off date for each subproject that involves LAR impacts. The cut-off date shall be set and announced by the government to prevent influx of outsiders and to avoid false and frivolous claims for compensation, relocation and livelihood rehabilitation entitlements. Any person who enters in the subproject land after announced cut of date or any assets established in corridor of impact after cut-off date will not be eligible for compensation, however, the APs will be served a prior notice to remove their assets and take the salvage free of cost.

In case of acquisition of land and land-based assets under LAA provisions, the cut-off date will be the day when formal declaration of land acquisition under Section-4 of LAA is notified and published in the official gazette. While for purpose of preparation of resettlement plan for any subproject involving IR impacts, the cut-off date will be determined by the PIU based on social impact assessment and census survey. Preferably, the first day of the start date of social assessment and census survey of displaced persons for each subproject will be fixed as cut-off date and will be announced and publicized by the PIU. However, the efforts will be made that the land acquisition process and impact assessment and census survey for RP preparation are streamlined to coincide with the cut-off date under LAA provisions and for RP preparation.

Each AP will be documented and issued identification as to confirm his/her presence on the proposed site of a subproject prior to the cut-off date and to avoid false and frivolous claims at the time of RP implementation. The cut-off date will be disclosed to the APs through consultative meetings, focus group discussions, field surveys and other means of communication including face-to-face communication with communities. The disclosure of cut-off date will be formalized through documentation of consultation meetings and disclosure reports.

### **5.3 Compensation Entitlements**

The persons holding or occupying the land/assets at project site on or before cut-off date and who face physical or economical displacement due to permanent or temporary loss of their assets including land, structures and other assets appended to the land or their livelihood whether full are partial will be entitled for compensation and rehabilitation/income restoration provisions under the provisions of this RF for the Project.

### **5.4 Compensation for Lost Assets**

APs losing land, structures (residential or commercial), assets, income, crops, trees; are entitled for compensation and rehabilitation subsidies, including a relocation subsidy, and a business losses allowance; in accordance with the minimum wage for unskilled worker announced by GoKP for 2022. The impacts under this RF are defined as partial and full. The partial impacts are those where a structure will not lose its current use and remains useful after rehabilitating the affected part. The full impacts are those where after demolishing the affected part, the remaining structure becomes redundant for its present use.

#### **Agricultural land**

Titleholders (recorded land owners) or those having land rights recognizable under local law or custom will be compensated for acquired land either through replacement land parcel of similar type and size (if available) or through cash compensation at full replacement costs including fair market value, transaction costs, interest accrued and other applicable payments for acquired land parcel. For determining compensation on replacement cost, the efforts will be ensured for negotiated settlement of land cost and if it is unsuccessful, the process for compulsory acquisition of land will follow and the compensation package may include fair market value of land and other entitled compensation as outlined in Section 23<sup>7</sup> of LAA 1894 with a 15% compulsory land acquisition<sup>8</sup> surcharge. Nonetheless, emergency clauses for acquisition of land will not be invoked. All titled land owners/APs will be entitled for compensation so calculated to the extent of acquired land. While the APs, with land-based livelihood, facing 10% or more loss of their productive agricultural land will also be entitled for resettlement assistance as specified in the Entitlement Matrix **Table 2**.

Those informal land users without traditional/recognizable rights and encroachers losing land, will not be entitled to land compensation but will be provided compensation for their assets other than land or improvements (if any) made to land. In case of arable land, they will be provided 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), and compensation for any irrigation infrastructure and other improvements made to the land (but not for the land) at full replacement cost; and other

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Section 23 sub section (1) of LAA require to determine compensation package including fair market value, costs in consequence of severance, costs for loss of earning or profit the costs for lost fixed assets other than land etc.

<sup>8</sup> Additional Compensation entitled under section 28.

appropriate rehabilitation to be defined in the RPs based on project situation and AP consultation.

Leaseholders or tenants on government land who are registered as per land records/cadastrars (if any) will be entitled to either renewal of the lease/tenancy agreement in other plots/parcels of similar type and size or cash refund equivalent to paid lease amount for remaining lease period or mutually agreed period up to a maximum of two (02) years in addition to the standard crop compensation allowed as per entitlement for crop losses. In addition, they will be entitled for compensation on replacement cost basis for improvements (if any) made to the acquired land.

Lease holders/Rental Tenants on privately owned arable land will receive a cash refund at the rate of the rental fee proportionate to the size of the affected plot and the duration of the remaining lease period but maximum up to three years and will also be entitled to crop compensation for lost crop and an additional crop. The sharecroppers on privately owned land will be entitled to crop compensation as per their respective share with the land owner based on their sharecropping contract and the compensation in cash will be equivalent to the market value of the gross yield of lost harvest and one (01) additional crop compensation. In addition, they will be entitled for compensation on replacement cost basis for improvements (if any) made to the acquired land.

Agricultural laborers, with contracts to be interrupted, will be provided with compensation equal to their salary/daily wage or minimum wage rate.

### **Residential, commercial, public and community land**

For 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 will receive cash compensation at replacement cost above according to the quantity and quality of the land lost, including all transaction costs. Lessees or rental tenants of residential land will receive a cash refund at the rate of the rental fee proportionate to the size of the affected plot and the duration of the remaining lease period.

For 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 AP 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 project.

### **Temporary Occupation of Land**

Temporary land may be required by the civil works contractor for construction campsites, equipment and stockyards. In case of requisition by the contractor, the terms and conditions of such requisition will be agreed between the contractor and land owners and accordingly private lease agreement will be signed between the Parties. However, PIU will ensure that the compensation provisions in such private lease agreements are fully consistent with the RF provisions.

### **Structures**

For the partial loss of structure: The partial structure loss will be determined based on functional/economic viability of remaining structure or possibility for its restoration and to put it into the same use as was before the Project. In case of partial loss of structure, the owners,

including non-titled land users/squatters, will receive cash compensation for the lost parts of a structure at replacement cost and for the repair of the remaining structure at the market rate for materials, labor, transport and other incidental costs, without deduction of depreciation for the age of the structure. APs 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.

For the full loss of a Structures: In case of complete loss of structure or loss to the extent that the remaining structure becomes functionally/economically unviable for use and its restoration and putting into earlier use is not possible, the owners legal and legalizable, may choose 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 AP, 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. While the non-titled land users/squatters will be compensated either through cash compensation for structure on full replacement cost and rehabilitation/resettlement assistance for self-relocation to the place of their choice or will be provided with replacement structure on secured tenure basis in the resettlement site developed for the project. Lessees and rental tenants will receive a cash refund for the rental fee equivalent to the paid advances (if any) and the period for which rent is paid or the remaining lease period but maximum up to 6 months.

If minor structures, such as fences, sheds or latrines, need to be moved, their owners or the lessees and tenants, depending on the arrangements between owners and tenants, may either (i) receive cash compensation for self-relocation of the structure at the current market rate for the cost of labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age.

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

## **Crops**

All affected land owners/users will be entitled for one-year crop compensation, i.e., two crops (one lost crop and other crop for ensuing season) to offset any adverse impacts to their income/livelihood due to accrued crop losses because of acquisition of land. The entitlement for crop losses will link to the cultivators including landowners (self-cultivators), leaseholders/sharecroppers and encroachers/squatters etc. Cultivators of affected crops will be paid cash compensation for the loss of a crop proportionate to the arable/cultivated area of lost plot on the bases of current market rate assessed on gross product value of the grown crops or as assessed and provided by the competent government agricultural department. The second crop (crop for ensuing cropping season) will be paid on net product value proportionate to the cultivated area for the first paid crop. In case of share cropping arrangement between the parties, the compensation so assessed will be apportioned between the parties as per share cropping arrangement (either legally stipulated or the traditionally or informally agreed).

## **Trees**

Cultivators of affected fruit trees will receive cash compensation at full replacement cost for lost fruit trees assessed at the current market rate of product value multiplied by a i) period required to grow a new tree to the age of production or ii) average years of crops forgone. The required number of years to grow a fruit plant to production age can be different for different tree species however, for compensation purpose 5 years period can be taken as standard and the compensation cost could be calculated by multiplying this standardized period with average production potential and current market rates of the product. 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. However, the rates and valuation methods will be determined using the accepted methodology in use at the Departments of Agriculture and Forestry.

## **5.5 Resettlement and Relocation**

### **Land for land compensation**

Land for land compensation has significant advantages in that it reduces the chance of displaced people spending their compensation on items that will not provide them with an alternative economic livelihood. Therefore, preference will be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement. Whenever replacement land is offered, displaced persons will be provided with land considering productive potential, locational advantages, and other factors to ensure the replacement land is at least equivalent to the advantages of the land taken. If land is not the preferred option, or sufficient government land is not available and acquisition of suitable resettlement land is not possible, non-land-based options built around opportunities for employment or self-employment will be considered in addition to cash compensation for land and other assets lost. The lack of land will be demonstrated and documented to the satisfaction of World Bank.

### **Relocation assistance**

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

### **Security of tenure**

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

### **Transport allowance**

All APs to be relocated due to loss of land and/or structures including residences, business premises or agricultural land, are entitled to receive a cash allowance to cover the cost of transport of people and their movable property (furniture, household items, personal effects, machinery, tools etc.) and of setting up at the new premises at the current market rate for labor, vehicle hire, fuel and incidental costs. A lump sum amount of compensation (covering all items discussed) will be provided to the APs.

## **Transition allowances**

The displaced households facing interruption in livelihood earning during period required to re-establish or relocate their lost residential/commercial structure will be entitled for transitional support up to a period of 3 months. Such transitional support/allowance will be based on officially designated minimum wage rates and shall be paid to household head. This transitional support will be in addition to the compensation entitlement for business or income losses for any of the household member or AP.

Besides rental assistance (residential and commercial) will also be provided as transitional support to facilitate the APs for temporary relocation of their assets and continue their activities while the replacement assets are provided or the partially damaged structures are restored to their original use. This rental support will be computed in consultation with APs on the basis of prevailing rental value of the affected assets or market rental values of available asset in the relocation site and will be paid as such for a period as agreed. The period required to re-establish partially affected asset or construction of similar new will be determined during preparation of respective subproject RPs and the rental assistance will be elaborated based on consultations with the APs and other stakeholders.

## **5.6 Income Restoration Measures**

In addition to the compensation entitlement for acquired assets and corresponding relocation and resettlement costs, the APs facing significant loss of productive assets/livelihood source will be entitled to the income restoration measures as explained below:

### **Loss of agriculture-based livelihood**

In case partial but significant<sup>9</sup> loss of arable land without provision of alternate land but with remaining land functionally viable, in addition to cash compensation for the loss of land as indicated above, the APs (owner, lessee, sharecrop tenant or non-titled user) of land will be provided with financial support for investing in productivity enhancing inputs like land levelling and erosion control, irrigation infrastructure, farming tools, fertilizers and seeds etc. as feasible and applicable. Meanwhile, additional financial support in the form of grants and micro-credit will be available, if the compensation for partial land loss is insufficient to allow for adequate investments to maintain the AP's livelihood.

For the full loss of arable land without provision of alternative land, in addition to cash compensation for the loss of land as indicated above, the displaced persons (owner, lessee, sharecrop tenant or non-titled user) of land will be provided with project-based job placement or training on alternate employment opportunities as well as with organizational and logistical support to establish the AP in an alternative income generation activity. If possible, PIU will coordinate and/or cooperate with governmental and non-governmental income generation and micro-enterprise development initiatives.

## **5.7 Businesses Loss**

### **Temporary Loss of Business**

The owner of businesses or shops affected will be entitled to cash compensation for loss of business during the period of dismantling, moving, rebuilding, and re-establishing their business at the new location. For businesses, cash compensation equivalent to the provincial monthly wage rate for the transition period.

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<sup>9</sup>More than 10 % of productive arable land.

For the loss of business income (temporary or permanent) due to IR or construction activities by the Project, the owner of a business will receive cash compensation equal to the lost income during the period of business interruption up to 3 months if loss is temporary and reversible and up to 6 months if the loss is permanent. based on official designated minimum wage rate, will be used as base rate to compute compensation for affected households. For permanent loss of business in addition to compensation, opportunities for project-based job or training to alternative livelihood sources with organizational and logistical support to establish the AP in an alternative income generation activity will be worked into and elaborated in the respective RPs. For this purpose, relevant governmental and non-governmental organization will be coordinated and their support will be sought.

## **Employment**

The loss of employment due to IR or construction activities among all laid-off employees of affected businesses will be compensated through cash compensation equal to the lost wages during the period of employment interruption but maximum up to three (03) months, based on registered wages or tax records if available or based on officially designated minimum wage rate, if tax based lost incomes are unknown. The APs facing employment loss due to lost assets like agricultural land and business enterprises will be documented and the income restoration provisions will be elaborated in the respective RPs.

## **Compensation for Damages During Construction**

Extreme care shall be taken by contractors to avoid damaging property. Where damages do occur, the contractor will be required to pay compensation immediately to affected families, groups, communities, or government agencies. Damaged property will be restored immediately to its former condition.

### **5.8 Public Services and facilities**

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

### **5.9 Special Provisions for Vulnerable APs**

Vulnerable households would be provided special assistance, in accordance with the needs identified during the census survey, to ensure that they are able to reestablish themselves and improve their income levels. One of the ESS5 requirements on involuntary resettlement is to improve the standards of living of the displaced poor and other vulnerable groups who may experience adverse impacts disadvantageously from project because of their disadvantaged/vulnerable status. Typically, those below poverty line, the landless or those without a title to land, the elderly, female headed households, women and children comprise the disadvantaged or vulnerable groups within a project's displaced population.

Vulnerable affected households (AHs)/APs: To identify vulnerable persons/households, the following vulnerability indicators have been established for the KPRAP subprojects and the households exhibit one or a combination of the conditions below will be termed as Vulnerable:

- The poor with their income level equal to or below officially designated poverty line.
- The land less or those without legal or legalizable title to with their livelihood dependent to acquired land.

- The disabled, elderly, and female headed households including women and children.

Vulnerable households with specific IR impacts on their livelihood will be identified during census and socio-economic survey for each subproject and will be indicated in each RP. Such displaced individuals/vulnerable groups will be consulted on measures to safeguard against impoverishment and accordingly livelihood and income restoration measures for rehabilitation and enhancement of their livelihood will be provided in the respective RPs and ensured during execution of the Project.

### **Provisions for Affected Women**

Acquisition of household assets can impact the women disproportionately due to their fragile socio-economic status and it could be difficult for them to re-establish their socio-economic activities because of restricted mobility or illiteracy. Although the female household heads or the female having title of the acquired assets are eligible and entitled for compensation and benefits for their lost assets similar as to their male counterparts but they may need special attention because of lack of resources, educational qualifications, skills, and work experience. To safeguards women needs and interests, following measures will be considered during impact assessment, census of APs, designing rehabilitation/resettlement provisions and preparation of the RPs for each subproject under KPRAP.

- Gender segregated socio-economic baseline and impact inventory linked to the entitled APs will be developed and women shall be compensated for assets in their name, meanwhile identified female headed households (if vulnerable) will be entitled for additional compensation as provided in the subproject RPs.
- During census and socio-economic assessment, meaningful consultations will be conducted with displaced women through focus group discussion and individual meetings to identify the concerns and mitigation required in resettlement planning and accordingly the subproject RPs will detail the scope of LAR impact on women and wherever required separate gender action plan will be developed.
- In case of compensation for household assets, efforts will be ensured to pay compensation in the joint accounts (if possible) and in case of provision of replacement asset, i.e., land or structure (residential/Commercial) at resettlement/relocation site, it will be ensured that the provided asset is transferred in the joint ownership of the male and female counterparts of the displaced households; and
- Gender sensitive grievance redress system with women participation will be ensured to facilitate the aggrieved women (if any) to lodge complaints and get their concerns resolved through: accessibility of GRM to women using a transparent process that is gender responsive; communication, outreach and information dissemination to women on GRM; Ensure women are given due consideration while hiring, so as to keep the gender perspectives in GRM; a separate desk for women to lodge their complaints in person; and representation of females in GRC.

### **Indigenous People**

Indigenous Peoples (IP) as defined in the ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities of World Bank may be applicable for the subprojects located in or near the Kalash communities in Chitral district.

## **5.10 Eligibility and Compensation Entitlement Matrix**

The primary objective of an RP is to provide the framework for compensation for lost assets



and resettlement of APs. The RP identifies (i) the extent of losses; (ii) the policy and legal framework for compensation and resettlement; (iii) institutional framework for participation and implementation; (iv) provision for employment and poverty reduction; and (v) responsibilities for monitoring the implementation measures.

The resettlement activities of the Project will be carried out in consultation with the APs and all efforts will be made to minimize disruption during the project implementation.

RF will be implemented according to a compensation and entitlements matrix in line with national and provincial laws and regulations and WB ESS5. Where they are different, the entitlements most favorable to the APs will apply, as set out in the Entitlement Matrix provided in **Table 2** below. The entitlement matrix is based on the premise that resettlement, rehabilitation and compensation programs should improve or, at a minimum, maintain the APs pre-project living standards and ensure their participation in Project benefits. The Matrix will be carefully reviewed and revised if necessary while preparing the RPs of the subprojects during KPRAP implementation.

**Table 2: Eligibility and Compensation Entitlement Matrix**

Type of Loss	Specification	Eligibility	Entitlements
<b>1. LAND</b>			
Permanent impact on arable land	All land losses independent of impact severity	Owner (titleholder, or holder of traditional rights)	<ul style="list-style-type: none"> <li>Land for land compensation through provision of plots of equal value and productivity as that of lost,</li> <li>or</li> <li>Cash compensation at full replacement cost either through negotiated settlement between the IA and the land owners or assessed based on provisions of Section 23 of Land Acquisition Act (LAA) including fair market value plus damages/costs applicable free from taxes and levies plus 15% compulsory land acquisition surcharge from publication date of section-4 to the date of compensation.</li> <li>If Board of Revenue (BoR)<sup>10</sup> compensation falls below replacement cost (RC), the project will pay the differential as resettlement assistance to the APs to restore affected livelihoods.</li> <li>Resettlement Assistance equivalent to six months of provincial government announced monthly minimum wages, if the impact is 10% or more of productive arable land.</li> </ul>
		Leaseholder titled/untitled	<ul style="list-style-type: none"> <li>Compensation commensurate to lease type and as appropriate for recovery of paid advance or paid lease amount for the remaining lease period but up to two years maximum.</li> </ul>

<sup>10</sup> Board of Revenue, provincial agency with a mandate to approve compensation rate/amount

Type of Loss	Specification	Eligibility	Entitlements
			<ul style="list-style-type: none"> <li>• Crop compensation for standing crop with an additional crop (based on relevant cropping pattern/cultivation record) and other appropriate rehabilitation as transitional support under other entitlements.</li> </ul>
		Sharecropper/tenant (titled/untitled)	<ul style="list-style-type: none"> <li>• Cash compensation equal to gross market value of crop compensation (see crop compensation below) to be shared with the land owner based on the sharecropping arrangement.</li> </ul>
		Agriculture laborers	<ul style="list-style-type: none"> <li>• The agricultural laborers facing employment/wage loss because of land acquisition will be entitled to income rehabilitation allowance in cash equal to net value of one crop season based on relevant cropping pattern/cultivation record or 3 months officially designated minimum wage.</li> </ul>
		Encroachers	<ul style="list-style-type: none"> <li>• No compensation for land loss</li> <li>• Income rehabilitation allowance in cash equal to net value of annual crop production and other appropriate rehabilitation to be defined in the RPs based on project specific situation and AP consultation.</li> </ul>
Residential/commercial land	All land losses independent of impact severity	Titleholder, or holder of traditional rights	<ul style="list-style-type: none"> <li>• Cash compensation at full replacement cost (RC) including fair market value plus 15% compulsory acquisition surcharge all transaction costs, applicable fees and taxes and any other payment applicable</li> <li>• If BoR compensation falls below RC, the project will pay the differential as resettlement assistance to the APs to restore affected livelihoods.</li> </ul>
		Lessee, tenant	<ul style="list-style-type: none"> <li>• Cash refund/payment at the rate of lease or house rent for remaining lease period or house rent</li> </ul>
		Renter/leaseholder	<ul style="list-style-type: none"> <li>• Rent allowance in cash equivalent to 3-6 months' rent to be decided in consultation meetings with APs.</li> </ul>
		Non-titled user without traditional rights (squatters)	<ul style="list-style-type: none"> <li>• No compensation for land loss</li> <li>• Self-relocation allowance in cash equivalent to 3-6 months livelihood based on minimum wage rate, or as assessed based on income analysis.</li> <li>• Where required, additional support required ensuring improved standard of living to be</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
			determined through the social impact assessment.
Temporary land occupation	Land temporarily required during civil works	Owner, lessee, tenant	<ul style="list-style-type: none"> <li>Rental fee payment for period of occupation of land, as mutually agreed by the land owner and contractor;</li> <li>Restoration of land to original state; and</li> <li>Guaranteed access to structures (if any) and remaining land with restored infrastructure and water supplies.</li> </ul>
		Non-titled user	<ul style="list-style-type: none"> <li>Guaranteed access to land and structures located on remaining land with restored access to water supplies for irrigation (if applicable)</li> <li>Restoration of land to original state; and</li> <li>Income rehabilitation support, i.e., compensation for lost crops/trees as per entitlements provided (refer crop and tree section below).</li> </ul>
<b>2. STRUCTURES</b>			
Residential, agricultural, commercial, public, community	Partial Loss of structure	Owner (including non-titled land user)	<ul style="list-style-type: none"> <li>Cash compensation for affected structure (taking into account functioning viability of remaining portion of partially affected structure) for its restoration to original use) at full replacement cost computed at market rate for materials, labor, transport and other incidental costs, without deduction of depreciation.</li> <li>Right to salvage materials from lost structure</li> </ul>
		Lessee, tenant	<ul style="list-style-type: none"> <li>Cash refund at rate of rental fee proportionate to size of lost part of structure and duration of remaining lease period already paid.</li> <li>Any improvements made to lost structure by a tenant will be taken into account and will be compensated at full replacement cost payable as per agreed apportionment through consultation meetings.</li> </ul>
	Full loss of structure and relocation	Owner (including non-titled land user)	<ul style="list-style-type: none"> <li>The AP may choose between the following alternatives:</li> <li>Provision of fully titled and registered replacement structures at relocation site (if any) comparably of equal size and value as that of lost one including payment of all transaction costs, fees and taxes applicable under law.</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
			<ul style="list-style-type: none"> <li>Cash compensation at full replacement cost, including all transaction costs, such as applicable fees and taxes, without deduction of depreciation for age, for self-relocation.</li> <li>In any case, AP has the right to salvage the affected structure.</li> </ul>
		Lessee, tenant	<ul style="list-style-type: none"> <li>Cash refund at rate of rental fee proportionate to duration of remaining lease period;</li> <li>Any improvements made to lost structure by lessee/ tenant will be taken into account and will be compensated at full replacement cost payable as per agreed apportionment through consultation meetings.</li> </ul>
	Moving of minor structures (fences, sheds, latrines etc.)	Owner, lessee, tenant	<ul style="list-style-type: none"> <li>Cash compensation for self-relocation of structure at market rate (labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age) or relocation of the structure by the Project.</li> </ul>
	Stalls, kiosks, cabins	Vendors (including titled and non-titled land users)	<ul style="list-style-type: none"> <li>Allocation of alternative location comparable to lost location, or</li> <li>Cash compensation for self-relocation of stall/kiosk at market rate (labor, materials, transport and other incidental costs, as required, without deduction of depreciation for age)</li> </ul>
<b>3. Crops</b>	Affected crops	Cultivator	<ul style="list-style-type: none"> <li>Cash compensation (one- year crop) at current market rate proportionate to size of lost plot, based on crop type and highest average yield over past 3 years or as assessed through the Agricultural Department.</li> </ul>
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> <li>Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share.</li> </ul>
<b>4. Trees</b>	Affected crops	Land owner/ Cultivator	<ul style="list-style-type: none"> <li>Cash compensation for fruit trees at current market rate of crop type and average yield (i) multiplied, for immature non-bearing trees, by the years required to grow tree to productivity or (ii) multiplied, for mature crop bearing trees, by the average years of crops forgone; plus, cost of purchase of seedlings and required inputs to replace trees.</li> <li>Cash compensation for timber trees at current market rate of timber value of species at current volume, plus cost of purchase of seedlings and required inputs to replace trees.</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> <li>Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share</li> </ul>
<b>5. RESETTLEMENT &amp; RELOCATION</b>			
Relocation Assistance	All types of structures affected	All APs titled/untitled requiring to relocate as a result of losing land and structures	<ul style="list-style-type: none"> <li>The project will provide logistic support to all eligible APs in relocation of affected structures whether project-based relocation or self-relocation as applicable.</li> <li>If project-based relocation is needed, APs will be provided with access to civic amenities including electricity, water supply and sewage as well as school and health center (if applicable).</li> </ul>
Security of tenure	Replacement land and structures	All APs and tenants needing to relocate to project relocation sites.	<ul style="list-style-type: none"> <li>If APs are required to relocate to project relocation sites, they will be provided with secure tenure to the replacement land and structures.</li> </ul>
Transport allowance	All types of structures requiring relocation	All APs and tenants required to relocate as a result of losing land and structures	<ul style="list-style-type: none"> <li>For residential structure a lump sum amount of Pakistan Rupees (PKR) 30,000 or higher depending upon the situation on ground.</li> <li>For commercial structure or agricultural farm structure a lump sum amount of PKR 20,000 or higher depending upon the situation on ground.</li> </ul>
House rent	All types of structures requiring relocation	All APs and tenants required to relocate as a result of losing land and structures	<ul style="list-style-type: none"> <li>Rental assistance as a lump sum amount computed on the basis of prevailing rental rate for a period as agreed between the AP and project team, to assist the APs in renting house or commercial structure.</li> </ul>
Transition allowance	All types of structures requiring relocation	All APs and tenants required to relocate	<ul style="list-style-type: none"> <li>On a case-to-case basis, transitional allowance equal to 3 months of recorded income or equal to officially designated minimum wage rate.</li> </ul>
<b>6. INCOME RESTORATION</b>			
Impacted land-based livelihoods	All land losses	All APs with land-based livelihoods affected	<ul style="list-style-type: none"> <li>Partial loss of arable land: APs will be provided support for investing in productivity enhancing inputs, such as land leveling, erosion control, irrigation infrastructure and farming tools, fertilizers and seeds etc., as feasible and applicable.</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
			<ul style="list-style-type: none"> <li>Full Loss of arable land: Project based employment for the willing APs will be worked out and included in bidding documents or training with additional financial support to invest as well as organizational/logistical support for establishing alternate means of livelihood.</li> </ul>
Restricted access to means of livelihood	Avoidance of obstruction by subproject facilities	All APs	<ul style="list-style-type: none"> <li>Un-interrupted access to remaining agricultural fields, business premises and residences of persons in the project area will be ensured in consultation with the APs.</li> </ul>
Businesses	Temporary business loss due to LAR or construction activities by Project	Owner of business (registered, informal) This also includes hawkers and vendors.	<ul style="list-style-type: none"> <li>Cash compensation equal to lost income during period of business interruption up to 3 months based on officially designated minimum wage rate of the provincial government.</li> </ul>
	Permanent business loss due to LAR without possibility of establishing alternative business	Owner of business (registered, informal) This also includes hawkers and vendors.	<ul style="list-style-type: none"> <li>Cash compensation equal to lost income for 6 months based on officially designated minimum wage rate;</li> <li>and</li> <li>Provision of project-based employment or a training opportunity to one of the adult household members.</li> </ul>
Employment	Employment loss (temporary or permanent) due to LAR.	All laid-off employees of affected businesses	<ul style="list-style-type: none"> <li>Cash compensation equal to lost wages at comparable rates as of employment record for a period of 3 months (if temporary) and for 6 months (if permanent) or in absence of record computed based on official minimum wage rate.</li> <li>Or</li> <li>Provision of project-based employment or re-training, with additional financial as well as organizational/logistical support to establish AP in alternative income generation activity.</li> </ul>
<b>7. PUBLIC SERVICES AND FACILITIES</b>			
Loss of public services and facilities	Schools, health centers, administrative services, infrastructure services, graveyards etc.	Service provider	<ul style="list-style-type: none"> <li>Full restoration at original site or re-establishment at relocation site of lost public services and facilities, including replacement of related land and relocation of structures according to provisions under sections 1 and 2 of this Entitlement Matrix.</li> </ul>

Type of Loss	Specification	Eligibility	Entitlements
<b>8. SPECIAL PROVISIONS</b>			
Vulnerable APs	Livelihood improvement	All vulnerable APs including those below the poverty line, the landless, households headed by women and children	<ul style="list-style-type: none"> <li>• In addition to applicable compensation entitlements for lost assets, relocation and livelihood restoration, the vulnerable APs will be provided with:</li> <li>• Subsistence allowance for 3 months computed on the basis of officially designated minimum wage rate and other appropriate rehabilitation measures to be defined in the RPs and consultations with APs.</li> <li>• Preference for provision of project-based employment.</li> </ul>

## **6. Legal and Policy Framework**

### **6.1 Context**

The potential subprojects under KPRAP may involve land acquisition and resettlement (LAR), which will cause adverse social and resettlement impacts. To mitigate the LAR impacts sufficiently and promptly, this RF is designed on the basis of the laws and regulatory framework with its successive amendments relevant to land acquisition and resettlement in Pakistan and the provinces and in compliance with the World Bank's social safeguard standards of ESS5. The RF provides measures to reconcile and address the gaps between two sets of instruments to ensure IR requirements of ESS5 are complied. Specific provisions are included in the framework to address any gaps between provincial laws and regulations and the WB Policy, that are not fully addressed in the provincial laws and regulations. In case of gaps between the legal framework of provinces (the Act and Rules) and WB ESS5 shall prevail, as per the Project Agreement to be signed between Government of Pakistan and the World Bank.

### **6.2 National/Provincial Regulatory Overview for LAR**

#### **6.2.1 Constitution of the Islamic Republic of Pakistan**

The Article 24(1) of Constitution of the Islamic Republic of Pakistan states “no person shall be compulsorily deprived of his/her property save in accordance with law”. Article 24 (2) provides that: “no property shall be compulsorily acquired or taken possession of save for a public purpose and save by the authority of law<sup>11</sup>, which provides for compensation therefore and either fixes the amount of compensation or specifies the principles on, and the manner in which, compensation is to be determined and given”. The Article 4 (2a) also protects the legislative right of people of Pakistan and states: “No action detrimental to the life, liberty, body, reputation or property of any person shall be taken except in accordance with law”.

#### **6.2.2 Land Acquisition Act 1894**

With the exception of impacts caused by poles and towers for public utilities land acquisition in Pakistan is regulated by the Land Acquisition Act, 1894 (LAA) with its successive amendments. In Pakistan, LAA 1894 regulates the land acquisition process and enables the federal and provincial governments to acquire private land for public purposes through the exercise of the right of eminent domain. Land acquisition is a provincial responsibility and each province has its own province specific amendments in the Law and interpretation of the Act. The LAA and its implementation rules require that following an impact identification and valuation exercise, land and crops are compensated in cash at the current market rate to the titled landowners. The LAA mandates that land valuation is to be based on the last 3 to 5 years average registered land-sale rates. However, in several recent cases, the median rate over the past 1 year, or even the current rates, has been applied with an added 15% compulsory acquisition surcharge according to the provision of the law. In addition to the provisions of LAA, related regulations setting out the procedures for land acquisition have been provided in province specific rules.

The LAA lays down definite procedures for acquiring private land for projects and payment of compensation. For entering private land or carrying out surveys and investigations, specified formalities have to be observed and notifications to be issued. Damage to any crops during survey and investigations has to be compensated. The displaced persons, if not satisfied, can

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<sup>11</sup>The expression —save by authority of law” in this Article provides for acquisition in accordance with law which in the present case is the Act.



go to the Court of Law to contest the compensation award of the Land Acquisition Collector (LAC).

The law deals with matters related to the acquisition/ or temporary occupation of private land and other immovable assets that may exist on it when the land is required for public purpose. The right to acquire land for public purposes is established when Section 4 of the LAA is triggered. The LAA specifies a systematic approach for acquisition and compensation of land and other properties for development projects. It stipulates various sections pertaining to notifications, surveys, acquisition, compensation and apportionment of awards, along with disputes resolution, penalties and exemptions. The surveys of land acquisition are to be disclosed to the displaced persons. However, the law only recognizes “legal” owners of property supported by records of ownership such as land record title, registered sale deeds, or agreements.

### **6.2.3 Katchi Abadi Act (KAA) of 1987**

The Katchi Abadi Act (KAA) covers the urban squatter’s rehabilitation rights by providing plots in public resettlement areas or cash assistance. Based on the KAA the KPRAP will provide rehabilitation compensation to eventual squatters/encroachers affected by the Project.

## **6.3 World Bank ESS5**

The WB’s ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.

The ESS5 Objectives are:

- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives;
- To avoid forced eviction;
- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

The ESS5 applies to permanent or temporary physical and economic displacement resulting from the following types of land acquisition or restrictions on land use undertaken or imposed in connection with project implementation: (a) Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law; (b) Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures; (c) Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project; (d) Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project specific cut-off date; (e) Displacement of people as a result of project impacts that render their land unusable or inaccessible; (f) Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas; (g) Land rights or claims to land or resources relinquished by individuals or communities without full payment of compensation; and (h) Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.

## 6.4 Gap Analysis

The objectives of ESS5 are clear in their aim to avoid involuntary resettlement caused by land acquisition measures wherever feasible and if not possible to apply such compensation principles for impacts on all APs and to restore their livelihoods at least to pre-project level. In general, the institutional framework for expropriation in Pakistan is not completely in compliance with the ESS5, and the most evident differences relate to the requirements to compensate at replacement cost for land vis-à-vis the national requirement of compensating land at market value without payment of taxes and fees as part of compensation package. Additionally, the national law does not recognize informal users, occupiers and settlements. It does not require a project specific grievance redress mechanism, a social impact assessment, gender disaggregated data and assistance to vulnerable persons. **Table 3** below provides an overview of specific gaps between the national expropriation law vis-à-vis ESS5 and the recommendations for remedy and/or mitigation in order to comply with the ESS requirements.

**Table 3: Measures to address LAA 1894 & ESS 5 Differences or Gaps**

Pakistan LAA 1894	World Bank ESS5	Measures to Address the Gap on World Bank funded projects
The expropriation elaborate contains a detailed list of properties to be expropriated, their location, information about individuals who have formal legal rights on these properties. No socio-economic study is required.	Preparation of this RF, individual RPs, census survey and socioeconomic study is envisaged. The study should include information on (i) current occupants in the affected area, (ii) characteristics of displaced households and their standards of living and livelihoods, (iii) magnitude of expected losses and extent of	All documents must be prepared in accordance with WB ESS5. requirements, in addition to national legal requirements. The implementation of a census is required to identify the persons who will be affected by the project (including those who are not registered through national procedures). The

<b>Pakistan LAA 1894</b>	<b>World Bank ESS5</b>	<b>Measures to Address the Gap on World Bank funded projects</b>
	displacement, and (iv) information on vulnerable groups or persons.	implementation of census survey/ household census is necessary also to identify characteristics of displaced households, including standard of living, level of vulnerability, establishing baseline conditions for monitoring and evaluation purposes, and to set a cut-off date.
The Expropriation Law recognizes the eligibility of persons who have formal legal rights on land and structures, as registered by the cadastre and those whose rights are recognizable under national laws (factual ownership).	WB ESS also recognizes those who have no recognizable legal right or claim to the land they are occupying on Cut-off-Date are also eligible for rehabilitation assistance and compensation for loss of non-land assets at replacement value.	Compensation and assistance to APs without legal right or claims will be made per principles and entitlements provided in the entitlement matrix of this RF, if they are present in the project affected area at the time of the cut-off date. Asset inventory and valuations of their affected properties will be conducted and all measures will be recorded in the internal periodical (monthly or quarterly)
Compensation for land and other assets is based on average values and department unit rates that do not ensure replacement market value of the property acquired. However, LAA requires that a 15% compulsory acquisition surcharge supplement the assessed compensation.	APs are to be compensated for all their losses at replacement cost, including transaction cost and other related expenses, without deducting for depreciation.	Land valuation is to be based on current replacement (market) value with an additional payment of 15%. The valuation for the acquired housing land and other assets is the full replacement costs keeping in view the fair market values, transaction costs and other applicable payments that may be required.
No provision for resettlement expenses, income/livelihood rehabilitation measures or allowances for displaced poor and vulnerable groups.	Requires support for rehabilitation of income and livelihood, severe losses, and for vulnerable groups	Provision should be made to pay for resettlement expenses (transportation and transitional allowances), compensate for loss of income, and provide support to vulnerable persons and those severely impacted (considered to be those losing more than 10% of their productive assets).
Lack of formal title or the absence of legally constituted agreements is a bar to compensation/rehabilitation.	Lack of formal title is not a bar to compensation and rehabilitation. All APs, including non-titled APs, are	Squatters, informal tenants/leaseholders are entitled to compensation for loss of

<b>Pakistan LAA 1894</b>	<b>World Bank ESS5</b>	<b>Measures to Address the Gap on World Bank funded projects</b>
(Squatters and informal tenants/leaseholders are not entitled to compensation for loss of structures, crops).	eligible for compensation of all non-land assets.	structures and livelihood and for relocation.
Land acquisition and compensation process is conducted independently by the Land Acquisition Collector following a lengthy prescribed legal and administrative procedure. There are emergency provisions in the procedure that can be leveraged for civil works to proceed before compensation is paid.	Involuntary resettlement is conceived, planned and executed as part of the project. Affected people are supported to re-establish their livelihoods and homes with time-bound action in coordination with the civil works. Civil works cannot proceed prior to compensation	IAs will prepare land acquisition and resettlement plans, as part of project preparation based on an inventory of losses, livelihood restoration measures, Pakistan law and principles enumerated in SPS. Where gaps exist in the interpretation of Pakistan law and resettlement practices, requirements of World Bank 's involuntary resettlement policy will prevail. Civil works may only proceed after the resettlement plan is implemented and compensation for loss of assets and other allowances (budgeted as part of the project cost) is fully paid.
No convenient grievance redress mechanism except recourse of appeal to formal administrative jurisdiction or the court of law	Requires the establishment of accessible grievance redress mechanisms to receive and facilitate the resolution of APs' concerns about displacement and other impacts, including compensation	IAs will establish easily accessible grievance redress mechanism available throughout project implementation that will be widely publicized within respective subproject area and amongst the APs.
Except invoking legal process by notifying the land under different provisions of the LAA and announcement of award, LAA does not require social impact assessment and preparation and disclosure of specific LAR planning and monitoring documents.	World Bank require social impact assessment and preparation and disclosure of specific IR documents at different stages of project planning, design and implementation and these include IR categorization checklists, Social Impact Assessment, RF/RP/s and periodic monitoring reports etc.	Following SS5 criterions, the EA, in collaboration with World Bank shall conduct social impact assessment of the projects and will prepare RPs for the project with IR impacts and social due diligence reports for the project without tangible IR impacts at project planning and design stage. While the periodic monitoring reports (internal and external) confirming RP implementation progress will be prepared periodically.

### Reconciliation with WB ESS5

The main provisions affording reconciliation of the differences between LAA and World Bank's ESS5 include:

- Any APs, regardless of title or not, will be entitled to compensation (for structures, crops and trees) and rehabilitation measures under the project. This includes land-less people using land and squatters.
- APs and affected communities will be consulted on options and any impacts of land acquisition and resettlement.
- A social screening will be conducted to identify the level of potential impacts and appropriate mitigation measures.
- If land for land compensation is not technically feasible or socially viable, compensation will be in cash at full replacement cost at current market value.
- Compensation for any other assets affected (structures, crops and trees, as well as business/income loss) will be in cash or kind at full replacement cost at current market value.
- Vulnerable and poor APs will be entitled to additional measures as relevant, and gender issues will be addressed. Maintenance works will avoid or minimize, as far as possible, the need for land acquisition and resettlement.
- Compensation for temporary loss of land or assets, or for temporary disruption of income will be provided. It must be especially noted that under the WB ESS5, status of those without legal title is clearly defined. In accordance with this policy, those people who do not possess official legal title or judicial rights for the land use, but still use the state land are entitled to receive compensation, taking into account the investments they made into the state land, their labor and lost assets, but not for land ownership as in the case of a titled owner. Instead, alternative sites are allocated for their use, or other forms of assistance in lieu of land compensation, are provided to those informally using or occupying land to the project cut-off date.
- In case of disparity of the laws of the Pakistan with the requirements of the WB ESS5 provisions on involuntary resettlement, the principles and procedures of ESS5 should be applied. This priority of WB norms over the national legislation is required for World Bank financed projects and provided by the national legislation

## **6.5 Resettlement Policy for the Project**

Based on identified gaps between World Bank 's ESS5 requirements and LAA practice and procedures following LAR policy is formulated for the Project:

- A social Impact Assessment will be carried out for all subprojects to be implemented through different subproject involving IR impacts and the subprojects will be screened at early stage to avoid, minimize or mitigate involuntary IR impacts causing physical and/or economic displacement. For projects with IR impacts, a comprehensive assessment of social impacts, involving (a) a census of all displaced persons (titled and without title), and an inventory of their lost assets (b) a sample based socio-economic survey of displaced persons, and (c) a detailed measurement survey and valuation of all lost assets including lost incomes sources will be carried out and accordingly comprehensive RPs will be prepared for every subproject with LAR impacts under the Project.
- Potential stakeholders will be identified and meaningful consultations will be carried out at each stage of the project planning and design and shall be continued throughout project planning, implementation and monitoring periods. The APs and other stakeholders will be consulted and informed as well as given an opportunity to participate in resettlement

planning and implementation activities. All consultations will be documented and the consultation records will be maintained throughout project implementation.

- An effective grievance redress mechanism with representation of all stakeholders will be established at project and subproject level at the time of project inception and will be kept intact and functional throughout implementation period to address the social issues related to project design, resettlement planning and implementation, restriction of access to resources and basic amenities during construction and any other social matter that arises during implementation of the project. All cases/disputes will be recorded and an updated record of such cases will be maintained at project/subproject level.
- Compensation eligibility will be limited to cut-off date announced on the first day of social impacts assessment survey and census of APs.
- The absence of legal title will not be a bar to compensation under the project, and all APs with legal title or recognizable title/claim to acquired land and land-based assets on or before the cut-off date will be entitled for compensation of acquired assets including land and relocation and rehabilitation measures, as applicable, regardless of nature and type of impacts (permanent or temporary, full or partial). However, the APs occupying the public ROW or acquired land (on or before cut-off date), without legally recognizable claims to land will be only entitled for compensation to the extent of affected assets other than land as well as relocation and rehabilitation support under RP provisions and entitlements.
- Compensation of land and structures will be at full replacement value, either through the replacement of land or structures<sup>12</sup> of equivalent or higher value and quality or through cash compensation at replacement cost<sup>13</sup>. The value of structures will not be depreciated for age and the salvage will be allowed to APs. It will be ensured that APs are not displaced physically or economically before payment of compensation and other entitlements for their lost assets and income and livelihood restoration program is in place.
- Incomes and livelihood sources lost due to acquisition of land or interruption of business activities and employment due to lost productive assets or business structures will be fully compensated either on actual loss if the lost income potential is supported with tax records or on the bases of minimum earning levels prevalent in the project corridor for a period required to re-establish and restore the income levels as assessed during census and socio-economic assessment surveys. In addition, the APs who will permanently lose income and livelihood sources as well as poor and vulnerable APs will be entitled to credit, training and employment assistance to maintain or improve their livelihoods.
- All lost civic infrastructure and community services will be either restored at site or established at replacement land and the APs will be provided opportunities to share development benefits of the subproject, if feasible.
- In case of project-based resettlement sites for relocation, the APs will be entitled for secure tenure to replacement land, better housing, transitional support and access to civic infrastructure and services at resettlement site.
- For all subprojects involving IR impacts resettlement plans will be prepared following the principals outlined in the RF for the Project. Resettlement Plans elaborating on displaced

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<sup>12</sup>For replacement of land or structures all transaction costs will be paid by the project or included in compensation payments to the APs.

<sup>13</sup>Full replacement cost involves fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments without depreciation.

persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, RP budget with financing plan, and time-bound implementation schedule will be shared with World Bank for review and clearance before appraisal of Project. The RPs will be disclosed on the World Bank's and PIU's websites while hard copies translated into language understandable to local community will be placed at accessible place in project area. The RP provisions, particularly those on impact assessment and valuation, eligibility and entitlements, compensation delivery and grievance redress mechanisms will be disclosed to the displaced persons by the IA through dissemination of information brochures, placing information boards/banners at conspicuous places in affected villages around the project corridor.

- A monitoring mechanism for regular monitoring (internal and/or external) of RP implementation progress will be established before start of implementation of government endorsed and World Bank cleared final RPs for each tranche project. The RP implementation progress and livelihood restoration measure in place for each subproject will be monitored and evaluated during RP implementation and periodic social monitoring reports will be compiled and shared with World Bank.

## **7. Methods for Valuing Affected Assets**

The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation for land, natural resources and other assets under provincial law and such supplementary measures as are necessary to achieve replacement cost for lost assets are described in this chapter.

### **7.1 Valuation of Lost Affected Assets**

#### **7.1.1. Land Acquisition/Taking Modalities and Application of ESS5**

The ESS5 requires that the compensation for acquired assets should be based on replacement cost basis including fair market value, transaction costs, transitional support, interest accrued and other applicable payment under law. The key principles include (1) Acquisition of unoccupied Government owned land against a negotiated price; (2) Free Purchase of unoccupied land on the market from a willing seller at a negotiated price; and, (3) Involuntary land acquisition under Land Acquisition Act, 1894 (amended), through the concerned Provincial Board of Revenue (BOR) and/or the concerned District's Land Acquisition Collector (LAC). This is always the last option, when all the first two options are not feasible, as this option often involves: (i) adverse impacts on affected persons/families and communities; (ii) high costs; (iii) lengthy procedures; and, (iv) processing delays. The mode of acquiring/taking is further discussed below.

### **7.2. Private Negotiated Purchase**

It is preferable to acquire the land through private negotiations on the basis of willing buyer-willing seller as a first option, but if this fails, then other modes of acquisition will be used. This will follow the requirements of ESS5.

The process of negotiation with the APs will be completed within 90 days preferably from the day negotiations started. In case of successful negotiations, the sale agreement/deeds will be signed between the negotiating parties and the district collector will assist and proceed with registering the sale deed accordingly. Levies, taxes and transaction costs applicable on private sale deeds will be waived off as required under LAA procedures. The process will be outlined in the RP describing the procedures followed including requirements of the ESS5.

### **7.3. Land Acquisition through expropriation under LAA**

Land Acquisition through expropriation under LAA will follow if land acquisition through private negotiations is unsuccessful. In that case, the compensation package will be based on fair market value and other incidental costs as provided in Section 23 of LAA 1894. However, to ensure the compensation is reflective of replacement cost, the factors to determine fair market value of land may include: (i) the price paid for land recently acquired in the project area and price paid for land in recent recorded private transactions (recorded before notification under Section-4) in mutations register or the record of the registration department; ii) review of update land valuation tables and other available information and instructions on valuation of assets under provincial laws and LAA procedures etc., (iii) review of prevailing market rate determined through consultation with respectable people and property agents/appraisers who are disinterested with regard to the value of the land, etc. In addition to the land compensation determined under law, a 15% compulsory acquisition surcharge and any additional assistance applicable under law will be provided as a solatium.

Although the mechanism for compensation assessment under LAA is somehow consistent to



the ESS5 requirements, however, it is likely that, in some instances, the compensation cost assessed under law may fall below the replacement cost because of the tendency of undervalued registration of recorded transactions.

## **7.4. Land Associated Assets**

Land associated assets, including structures, crops, tress if acquired will also be compensated on replacement cost without depreciation and salvage material will be allowed to the APs. For providing compensation on replacement cost for affected assets other than land following measures will be considered for valuation and assessing unit compensation rates:

### **Houses and other structures**

Houses and other structures will be valued at replacement cost based on construction type and size of the affected structure and prevalent labor cost in the area. In case of the partial loss with remaining structure viable to restore for its use, the compensation on replacement cost bases will be paid for restoration of the affected structure and when the structure is affected to the extent not restorable, it will be compensated in entirety. No deductions will be made for depreciation, salvageable materials or transaction costs and taxes. Rates for building structures will be evaluated by CWD where relevant using the latest/current Composite Schedule Rates that are regularly published.

### **Crops and Trees**

Crops will be valued at current market rates of gross value of harvest as valued by the relevant provincial Agricultural Department.

The loss of fruit and non-fruit bearing trees will be compensated based on their type, productive age and the market value of the produce for the remaining period of its average life or a period required to grow a new tree with same production potential. The value of younger but unproductive fruit trees will be based on the expenditure made to bring the tree to its current state. For assessment of the fruit trees, the agriculture and horticulture departments of the Sindh Province will be coordinated.

The value of trees that would have been used for timber will be calculated based on the average volume and quality of wood produced and taking into consideration the size classes as determined by girth, diameter at breast, height and volume as assessed by the Forest Department of above mention each province.

### **Other Compensations**

Cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost to be compensated to the AP, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, World Bank guidelines and technical specifications for compensation at replacement cost will be applied. Compensation for land, structures, business, fixed improvements and other temporary assets will be based on market valuation, productivity valuation, negotiated settlements, material and labor valuation, disposition of salvage materials and other fees paid. It should be noted that lack of title, license or permit is not a bar to compensation.

Making compensation payments raises some issues regarding inflation, security and timing that must be considered. One purpose of providing in-kind compensation is to reduce inflationary

pressures on the costs of goods and services. Local inflation may still occur; thus, market prices will be monitored within the time period that compensation is being made to allow for adjustments in compensation values. The question of security, especially for people who will be receiving cash compensation payments needs to be addressed by the local administration. Local banks and microfinance institutions should work closely with the local administration at this level to encourage the use of their facilities, which will positively impact the growth of the local economies. The time and place for in-kind compensation payments will be decided upon by each recipient in consultation with the Compensation Committee. Monetary payments should be paid at a time in relation to the seasonal calendar.

## **8. Organizational Procedures for Delivery of Compensation and Resettlement Assistance**

The land acquisition and resettlement planning, preparation, implementation and monitoring of subprojects as well as compensation/ rehabilitation programs described in this RF will require participation of several institutions at different levels. Coordination of the participating institutions is a critical requirement to a successful subproject implementation. It is always preferred to have this addressed early into the project cycle, so that all participating parties are made aware of each other's responsibilities, lines of reporting, communication channels, expectations and authority limits.

### **8.1 Implementing Agency and PIU**

CWD KP under GoKP will implement the project through a dedicated Project Implementation Unit (PIU). The PIU has been created and is headed by a Project Director (PD) who is a senior CWD staff. The PD is assisted by a team comprised of procurement specialist, infrastructure engineer, environment specialist, social specialist, and a financial specialist. An education specialist will join during the first year of implementation. The PIU will be supported by a Design and Supervision (D&S) Consulting firm. The GoKP has hired individual consultants to work with the respective team members of PIU as a stop gap arrangement till the completion of hiring process of a D&S firm. Upon completion the respective roads will be handed back to the field formations of CWD for its routine maintenance.

### **8.2 Compensation, Resettlement and Rehabilitation Assistance Disbursement Committee**

PIU will establish a Compensation, Resettlement and Rehabilitation Assistance Disbursement Committee (R&RDC). The funds for income restoration/livelihood and rehabilitation assistance for various categories of APs will be disbursed by R&RDC to the APs. The R&RDC will comprise of a) the Project Director (head); b) Land Acquisition Collector (LAC); c) Social Development Specialist of PIU (secretary); and d) financial specialist of PIU. This committee will meet fortnightly and approve weekly schedules for the payments against compensation and resettlement assistance including income restoration/livelihood and rehabilitation allowances as per provisions made in the Entitlement Matrix of respective RPs.

The APs will be given advance written notices of the date, time, and place of payments in their own villages through public announcements. The payments of compensation against land and other fixed assets will be made by LAC as per provisions in the LAA and by the cheques of the resettlement and rehabilitation assistance will be signed by the Project Director. All payments will be made through cross cheques. For assets owned by women, compensation will be paid directly to affected women. In the case of married couples/households, the compensation will be paid to the one who owns the assets. In most cases, it usually is the man but if these assets are jointly owned by couple, then the amount is paid to both the parties.

### **8.3 Design and Supervision Consultants**

PIU will engage Design and Supervision Consultants (DSC), as described earlier. DSC will mobilize a team of qualified resettlement specialists with experienced enumerators and surveyors for impact assessment, census, surveys and conducting meaning consultations during project design stage who will facilitate the PIU in preparing, reviewing and implementation of RPs, recording and redressing the grievances, mobilization of the APs for processing of

compensation claims and assisting the PIU in delivery of compensation to APs. The DSC will also assist PIU to maintain an updated IR database, monitor day to day IR implementation progress and prepare monthly progress reports and periodic social monitoring reports including consolidated progress of RP implementation and social management achieved during monitoring period.

#### **8.4 District Government Departments**

The district government have jurisdiction for land administration, valuation and acquisition. At the provincial level these functions rest on the Board of Revenue while at the district level they rest on the District Land Acquisition Collector (District LAC). Within LAC office the Patwari (land records clerk), carries out specific roles such as titles identification and verification. All land acquisition affairs, including publication of notifications under LAA provisions, identification and assessment of land, determination and delivery of compensation for land acquired under law rest with the LAC. The LAC is assisted by the sub-district level land revenue officers.

Functions pertaining to assessment of compensation of non-land assets rest on the provincial line-agencies and their District level offices. Assessment of compensation for buildings and other built infrastructure pertains to the CWD, crops and productive trees are assessed by the to the Department of Agriculture and horticulture; and the compensation for wood trees losses is assessed by the Department of Forestry.

#### **8.5 External Monitoring Agency (EMA)**

Land acquisition and resettlement tasks under the Project will be subjected to both internal and external monitoring. Internal monitoring will be conducted by PIU, assisted by LAC and Design and Supervision Consultants. The external monitoring responsibilities will be assigned to an External Monitoring Agency (EMA) to be engaged by each PIU, according to the Terms of Reference (TOR) to be prepared by the social development specialist of PIU with the assistance of DSC. The EMA shall review the implementation progress throughout the RP implementation, as reported in the internal monitoring reports (IMR) by PIU, evaluate the level of achievement of RP objectives, identify gaps, if any, and propose remedial measures for implementation. The EMA shall be a firm hired either for all subprojects under KPRAP or individual subprojects.

#### **8.6 Civil Works Contractors**

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

#### **8.7 Affected Persons Committee and Representatives**

The APs in each subproject will be encouraged and mobilized by PIU and DSC to elect AP representatives and form an Affected Persons Committee (APC). AP representation facilitates communication and information flow among APs and with other stakeholders. AP representatives will closely liaison with Grievance Redress Committees (GRC) formed by PIU at project and field levels. In larger subprojects with a relatively high number of APs, APCs

with several representatives from various subsections of the resettlement impacted areas, representing different types of losses (partially lost land, relocates, temporarily displaced, and the like) and from different social and ethnic groups, as applicable, as well as from among men and women, will be formed. The APC will meet monthly and on demand from members, due to LAR planning and implementation issues.

## **8.8 Grievance Redress Committee**

A project wide Grievance Redress Mechanism (GRM) will be set up for all subprojects under the Project to address grievances arising from social and environmental impacts (the GRM is discussed later in the document). A Grievance Redress Committee (GRC) will be constituted to register the grievance raised by the APs and address the grievance forwarded by the APs representative committee. The GRC will try as much as possible to arrive at a compromise for the complaints raised. This may be obtained through a series of conciliations, mediations and negotiations exercises conducted with the APs. In situations where APs are not satisfied with the decision of GRC, the APs can approach the court of law. The response time for cases handled in both committees will depend on the issues addressed but it should be as short as it is possible.

## **9. Implementation Process – Linking Resettlement to Civil Works**

### **9.1 Implementation Schedule and Process**

The implementation process will cover (i) identification of cut-off date and notification; (ii) verification of properties of APs and estimation of their type and level of losses and compensation payments; (iii) preparation of APs for relocation through consultation, however, the process of consultation will continue throughout the RP implementation and (iv) relocation and resettlement of the APs. This should depend on the magnitude of work to be undertaken as part of RP implementation. APs should be given sufficient notice period to vacate their property before civil works begins.

The implementation process needed to put into action according to the provisions of provincial regulations and World Bank ESS5 resulting subproject resettlement plans to be prepared in compliance with this RF. The resettlement implementation process will, therefore be closely related to the overall project's organizational and implementation arrangements. No civil works should begin until all APs receive the approved compensation package. Civil works should therefore be linked with the completion of land acquisition process. In this case, all land transfers from Government have to be completed. Depending on the ownership, PIU should coordinate the DC's office and the Revenue Department. PIU has the overall implementation and scheduling responsibilities of resettlement tasks. In line with the principles laid down in this RF, PIU will prepare a detailed implementation schedule as integral part of each RP indicating the sequence and time frame of activities for each subproject.

PIU will ensure to coordinate the land taking process with impact assessment, census and socio-economic assessment for each subproject under provisions of this RF. RP implementation timelines will be required to be synchronized with the construction schedule to ensure RP implementation is completed before commencing of Civil Works and timely execution of the subprojects under the KPRAP. The commencement of civil works for any subproject or any of its component with resettlement impacts will be conditional upon full implementation of the World Bank approved RPs to ensure ESS5 requirements are fully complied with.

### **9.2 Compensation Disbursement**

Before site-specific civil works for subprojects begin implementation, APs will need to be compensated in accordance with the provisions of a disclosed and approved RP based on this RF. For activities involving land taking or loss, denial or restriction to access, it is further required that these measures include provision of compensation and of other assistance prior to displacement. Taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to all APs. APs who need to be physically relocated should be able to either complete construction of their houses at the replacement land plots or the rental fees for temporarily placing them in an alternative housing to be covered by the compensation budget. A written agreement regulating the specific terms and conditions will be signed between the parties. The measures to ensure compliance with this RF will be included in the RPs that will be prepared for each activity involving resettlement or compensation.

World Bank ESS5 and provisions under this RF require that no physical displacement or economic displacement will occur until (i) compensation for acquired assets at full replacement cost has been paid and other entitlements listed in the resettlement plan have been provided to

each AP for subproject components that are ready to be constructed; and (ii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help APs improve, or at least restore, their incomes and livelihoods. Pakistan's LAA (1894) allows the government to take possession of the acquired land once land award has been made as per LAA Section 11, and payment has been made or deposited to the court as per LAA Section 31. Accordingly, the Collector is required to pay the full amount to the AP, unless (a) the AP refuses to receive the amount, (b) there is no competent person to receive the compensation, or (c) if there is a dispute as to the title to receive the compensation.

Under ESS5, compensation for both land and non-land assets is deemed to be paid when the amount in cash or cheque has been provided to APs or deposited into their bank account, or is secured in an escrow account for APs not showing up to collect compensation. While in case of LAA, if the APs or their representatives did not come forward to collect their compensation, the amount could be deposited in the Revenue Department payable to the APs, after exerting due efforts to contact and encourage them to appear and notifying the APs in which treasury the deposit has been made. However, in both cases depositing the compensation in an escrow account, or in district treasury in lieu of providing cash or cheque to the DP is justified only when sufficient good-faith efforts and all legal requirements for contacting and notifying the APs have been made.

Both the LAA (1894) and World Bank ESS5 require that APs are compensated before subproject civil works begin, but allow a mechanism for dealing with cases having legal and administrative impediments restricting disbursing compensation payments provided that sufficient good-faith efforts are demonstrated in (a) contacting, notifying and assisting APs, and (b) delivering compensation payments. In some cases where compensation payment is restricted due to legal and administrative impediments faced by the APs, the IA will follow the World Bank's policies on compensation payment.

Provisions for compensation include the following activities: disclosure of the general principles of compensation to the various affected communities where initial feedback will be received as to the general compensation principles as outlined in this RF. This will be followed by AP individual compensation packages, disclosure meetings, where cash is the main compensation package agreed, a 90 days' notice of access will be issued to the APs during which time the compensation package paid, must have vacated the RoW, removed all structures/material, so that access for clearance and construction can commence.

Specific details on resettlement and compensation activities will be provided in the implementation schedule of the RP and will include target dates for start and completion of each activity and how they interact with civil works (with cognizance of the 90-day notice). Dates when access and/or possession of the affected land, as per the offer agreement, and showing links between the activities comprising the RP and those comprising the implementation of the project will be coordinated. Scheduling and co-ordination of the RP activities taking cognizance of the civil works activities will ensure that the APs are not economically or physically displaced before compensation is paid and before project land clearance, pegging or civil activity can begin. For example, with regard to agricultural land, it is not only essential that replacement land is provided before construction can begin, but care should also be given to making it available before the start of the planting season where feasible. However, in case of a missed crop cycle, the DP will receive a compensation value

### **9.3 Commencement of Civil works**

The screening process must ensure that RPs contain acceptable measures that link resettlement

activity to civil works in compliance with this policy. The timing mechanism of these measures would ensure that no individual or affected household would be displaced (economically or physically) due to civil works activity before compensation is paid and resettlement sites with adequate facilities are prepared and provided for to the individual or homestead affected. Once the RP is approved by the PIU, the RP should be sent to the World Bank for final review, clearance and approval.

The commencement of civil work will be subject to the satisfactory implementation of this RF including payment of compensation of land taken, crops, and livelihood assistance and redress of community concerns. Public consultation and disclosure of information will run intermittently throughout the whole project duration. RP completion audit will be conducted after completion of RP implementation. The screening process must ensure that RPs contain acceptable measures that link resettlement activity to civil works in compliance with this policy. The timing mechanism of these measures would ensure that no individual or affected household would be displaced (economically or physically) due to civil works activity before compensation is paid and resettlement sites with adequate facilities are prepared and provided for to the individual or homestead affected. Compensation will be paid to individual APs only after a written consent of the APs, including both husband and wife.

The land acquisition and resettlement implementation will be co-coordinated with the timing of procurement and commencement of civil works. The required co-ordination has contractual implications and will be linked to procurement and bidding schedules, the award of contracts, and release of cleared RoW sections to the contractors. The project will provide adequate notification, counseling, and assistance to APs so that they are able to move or give up their assets without undue hardship before the commencement of civil works and after receiving the compensation. The bid documents will specify the extent of unencumbered land to be handed over at the time of commencement of works and subsequent milestones and this will be strictly followed to ensure that land is provided on a timely basis to the contractors and also plan the implementation of land acquisition and resettlement in line with procurement and civil work timetable.



## **10. Grievance Redress Mechanism (GRM)**

### **10.1 Rationale for GRM**

The project will establish a Grievance Redress Mechanism (GRM) to address the concerns and grievances of project affected persons and other stakeholders. This mechanism will receive and facilitate resolution of the concerns or grievance of people who believe they are adversely affected by the Project or the people who believe that their interest are at risk due to the Project including construction and operations activities. There is also provision for protection of complainants from retaliation and the right to remain anonymous, if requested, to receive and facilitate resolution of the AP's concerns and grievances regarding the project's social, resettlement and environment performance.

### **10.2 Project Level GRM**

PIU will establish a GRM to address grievance and complaints related to KPRAP. The Project level Grievance Redress Mechanism (GRM) will be set up for all subprojects under KPRAP to address grievances arising from social, LAR and environmental impacts. This section determines the structure, roles and functions of the GRM, through which grievances can be addressed in each subproject. These will be further specified in each subproject E&S management instrument.

### **10.3 Aims and Objectives of GRM**

The GRM will aim to investigate grievances received from the APs and other stakeholders and provide a timely, transparent and fair resolution to voice and resolve environmental and social concerns and grievances linked to the project. The specific objectives of the GRM are to:

- provide an avenue to APs and other stakeholders the opportunity to raise concerns, complaints and grievances with a clear process using several uptake channels, locations and modes;
- facilitate and arrive at mutually agreed solutions satisfactory to both the Project and the APs, and to resolve any grievances locally, in consultation with the aggrieved parties;
- help in the smooth implementation of the E&S management measures and, particularly to cut down on lengthy litigation processes and prevent delays in project implementation; and
- ensure that concerns and grievances are handled in a fair and transparent manner, in line with provincial laws and regulations, and WB's applicable standards.

### **10.4 Nature of Complaints to be redressed**

Problems to be addressed by a GRM during the planning or implementation of subproject E&S management instruments can be complaints about (i) project alignment and requests to avoid specific affected assets, (ii) omission of impacts and some APs in a census, (iii) impact assessment and valuation of losses, (iv) disbursement of compensation relative to entitlements stipulated in a RP, (v) disputes about ownership of affected assets apportionment of compensation with payment delay issues, (vi) delays in payment of relocation and rehabilitation costs and design and completion of relocation sites/facilities, (vii) the adequacy and appropriateness of income restoration measures. (ix) any concerns related to environmental issues during construction like generation of dust, noise, blockage of access and occupational and community health and safety issues. Actions will be ensured to make the GRM accessible to vulnerable persons, including the poor, elderly, handicapped, female heads of households,

as well as women and minorities in general. Each sub-project E&S management instrument will indicate specific mechanisms to ensure accessibility for specific groups of APs.

## **10.5 Structure of GRM**

The GRM will function as a multi-tier system with designated staff at the PIU, district, and field levels. Formal Grievance Redress Committees (GRCs) with members nominated by the Project Director will be set up at each level. An electronic database of grievances will be maintained at the PIU, with data fed in by the field and district level GRCs. Field level GRCs may choose to maintain electronic, or written registers for grievances received. District GRCs will—in addition to directly receiving grievances—compile and digitize (if field GRCs maintain written registers) field level grievances and share those with the PIU GRC. The GRCs will also be responsible for tracking and recording the status of all grievances received.

To address GBV and SEA/SH related complaints, the project will ensure the availability of specially trained female staff at each GRM level. The PIU gender specialist will be responsible for managing GBV and SEA/SH related complaints at the project/PIU level. The PIU will develop specific procedures to ensure complainants to register their grievances anonymously, and in a discreet manner.

## **10.6 Complaint Process**

### **Step 1: Receive the Complaint/Grievance**

Grievances from stakeholders or their representatives may be lodged at the project, district, or field level. Stakeholders will be able to raise their grievances verbally (in person, or through a dedicated phone number), or in written form. All grievances will be recorded at the level they are received. Field level grievances may be recorded in written registers and will be shared with the district level GRC on a monthly basis, while district and project level grievances should be immediately entered into a digital grievance register. All grievances will have unique identifiers (UIDs) to allow for easy tracking.

Grievances related to GBV and SEA/SH will be forwarded to the staff specifically trained to handle these types of complaints.

Once a grievance is recorded, the UID will be shared with the complainant, as well as a tentative timeline for its resolution. This should take place on the same day the grievance is received.

### **Step 2: Initial Review of Grievance**

The Grievance Officer (who will be a member of the relevant GRC) will identify the party responsible for resolving the grievance. The responsible party and the Grievance Officer will then conduct an inquiry into the grievance to identify its root cause, and subsequent resolution measures.

At this stage, grievances related to GBV and SEA/SH will be supervised by the PIU's gender specialist.

### **Step 3: Resolution or Escalation of Grievances**

At this stage the relevant GRC, in consultation with the responsible party, will identify a suitable resolution to the issue. In case the issue is unresolvable at the level it is received, the GRC shall elevate it to the higher tier GRC, the complainant shall be notified of its elevation, and an updated resolution timeline shall be communicated.

For grievances that are resolved, the details of the resolution should be entered into the register/database, and the decision will be communicated to the complainant within 3 days. The

resolved grievance shall also be flagged for follow-up, and the relevant GRC will check in on the complainant's level of satisfaction with the resolution within 14 days. This feedback from the complainant shall also be added to the register/database.

#### **Step 4: Monitoring and Follow-up**

The Grievance Officers at the district and field levels will update the Complaint/Grievance Register on a weekly basis to indicate resolved (closed-out) and unresolved cases, those pending with the GRC or with courts. The Grievance Officer will ensure that the status of all complaints/grievances is kept current and will brief the Project Director on a weekly basis on the status of all current complaints/grievances. On a monthly basis, the district and field Grievance Officers will produce a summary status report and share with the PIU. An annual sex-disaggregated qualitative review of a sample of complaints processed (ensuring variation such as along type of complaint, resolution status etc.) will also be undertaken to analyze the efficacy of the system. Regular monitoring of the grievance mechanism and its outcomes, particularly of trends and patterns, will be critical to ensuring to identify systemic problems and adapt practices accordingly.

## **11. Arrangement for Funding Resettlements**

### **11.1 Preparation and Review of Cost estimates to Implement RF**

At this stage, it is not possible to estimate the likely number of people who may be affected. This is because the technical designs and details have not yet been developed and the resettlement impacts have not yet been fully identified. The specific impacts and compensation amounts will be determined during the detailed design stage as part of the preparation of the RP. Each RP will include a budget that will cover resettlement activities including compensation cost for affected assets, cost of consultation and outreach, costs related to restoration of livelihoods and assistance, administrative costs, and provide for contingencies.

The budget for resettlement and compensation for each RP will be determined through a preliminary valuation and baseline socio-economic study. Information on specific impacts, individual and household incomes and numbers of APs and other available demographic data will facilitate the preparation of a detailed RP. The RP will have a detailed and accurate budget for resettlement and compensation following review and assessment of the socio-economic data. Other related costs, such as surveying, planning, consultancy, supervision, miscellaneous entitlements, and monitoring will be estimated. In addition, if required, provisions for training of PIU staff in aspects of RP preparation, implementation and monitoring will be included in the budget. More specifically, each RP will include a detailed budget, which will provide costs of the following:

- Compensation may include, for example: costs for land, structures, crops; restoring structures; community structures and services.
- Relocation costs may include, for example: costs of resettling APs, administrative costs of resettling APs.
- Income restoration costs may include, for example: temporary income support for APs.
- Administrative costs may include, for example: staff costs, training and capacity building costs, monitoring and evaluation.

In addition, the estimated cost of mitigation and enhancement measures will be included in the RP budget as well as cost for land to be acquired, crop loss in ROW, community support program in terms of benefit sharing. The major cost items include mainly the followings.

- Compensation for private properties viz land and structures
- Resettlement, Rehabilitation and Livelihood assistances
- Community infrastructure supports (schools, mosques, health posts)
- Community awareness programs (project information, health and safety measures)
- Support for gender and vulnerable groups

PIU will manage both the financial inputs as well as the additional managerial and technical expertise required to complete subprojects or outsource services as required. In addition, PIU will: (i) maintain overall responsibility for the ROW acquisition or land taking process and manage any associated resettlement/relocation of APs; (ii) ensure the guiding principles in this RF are adhered to; (iii) ensure maximum participation of the APs in planning their own resettlement and post-resettlement; (iv) obtain access to funding to finance the implementation

of resettlement; (v) accept responsibility for delivering compensation payment to APs and responsibility for other resettlement-related costs; and, (vi) ensure M&E of the RP and undertake appropriate remedial actions so as to effectively deal with grievances.

## **11.2 Flow of Funds for RP implementation**

The allocation and provision of the financial resource is responsibility of PIU for affective management of project resettlement requirements including clearance of ROW land free from encumbrances, payment of compensation for acquired assets, entitled relocation and resettlement costs and implementation of income restoration measures etc. Hence, compensation, assistance, relocation and rehabilitation of income and livelihood will be considered as an integral component of project costs and will be accordingly estimated and included in the project PC-1 to ensure adequate funds are made available.

PIU will allocate sufficient funds IR management and release these based on finalized PC-I including IR costs for the subprojects to be executed under the Project. The PIU will transfer the funds for all land acquisition costs of a subproject to the district treasury department for acquisition of land and assets as per estimated demands by LAC and PIU account for delivery of R&R and income restoration costs and other entitled allowances not covered under applicable LAA procedures in provinces. Timely funding for acquired asset and resettlement and rehabilitation costs as budgeted in the subproject RPs will assist PIU in timely completion of LAR activities, taking possession of the acquired assets and ROW and handing over the ROWs land, free from encumbrances, for commencement of project civil works.

The resettlement funds received by PIU under KPRAP will be deposited into a designated project account. From this account, payments will be made after review and approval of the project expenditure by responsible officers within PIU.

The PIU will be required to submit to the WB details of the RP implementation and compensation status as it relates to the resettlement aspects of the project. To enable accurate implementation status reporting, PIU will monitor all aspects related to RP implementation and if need be, revise the budget to ensure smooth implementation. Should it become necessary to revise the budget, the revised budget will be shared with the Bank along with evidence that the funding for any resettlement planned for that year has exhausted.

## **11.3 Contingency Arrangements**

In order to ensure that the compensation and resettlement component will be implemented smoothly, all efforts will be made to develop realistic cost estimates during the preparation of the RP. It is accepted that not all eventualities will be foreseen and a contingency of 10-20% of the total budget shall be included in the budget estimates.

## **12. Mechanisms of Consultation and Participation**

### **12.1 Introduction**

The involvement of APs and other stakeholders in planning, implementation and monitoring is critical. During planning, Initial resistance to the idea of involuntary resettlement is to be expected. To obtain cooperation, participation, and feedback, the APs will be systematically informed and consulted during preparation of the resettlement plans about their options and rights. Particular attention must be given to vulnerable groups such as vulnerable and marginalized groups, minorities, the landless, and women to ensure that they are represented adequately in such arrangements. A comprehensive process of free, prior, and informed consultations will be completed for all APs.

The APs will participate throughout the various stages of the implementation of the RP. To ensure that information about the Project, entitlements, compensation and rehabilitation options and grievance mechanisms are in place, a non-technical summary in the form of information brochure will be prepared and will be translated into national language in Urdu and wherever possible into local languages. The draft brochure should be written in way that is easily understood by the affected communities and includes: (i) Objectives of the Project; (ii) Project policies on entitlement and compensation; (iii) Mitigation and enhancement measures; (iv) Project schedule and activities; (v) Grievance redressal; (vi) Monitoring; and (vii) Importance of ongoing community participation. Copies will also be available at project offices and local administrative authorities.

### **12.2 Stakeholder Engagement**

Stakeholder engagement is the integral part of resettlement planning and RP preparation and implementation for each subproject under the KPRAP. A separate document (SEP) has been prepared for the project. The PIU will devise and implement a comprehensive consultation and information disclosure strategy to ensure the stakeholders who are directly or indirectly involved in the project including APs, marginalized/vulnerable beneficiary groups, government officials and civil society for each and every subproject identified as having involuntary resettlement impact are meaningfully consulted in LAR process.

Stakeholder engagement will be an ongoing process that: (i) begins in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information in manner readily accessible and understandable to affected people; (iii) enables to document and address the concerns of stakeholders including APs; (iv) is undertaken in an atmosphere free of intimidation or coercion and is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of APs and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with social fabric of the project area and the impacts on affected communities.

### **12.3 Consultations during Covid-19 Spread**

A meaningful consultation is a two-way dialogue rather than a one-way dissemination of information; it is a process rather than standalone events, and it involves people in affected communities and other relevant stakeholders. Traditionally, consultations are held face to face in the community where the subprojects will be implemented. Under current circumstances,

however, large gatherings may not be feasible. The COVID-19 crisis presents projects with an opportunity to reinvent their community engagement and consultations strategy for years to come. This means re-examining strategy. While the social distancing requirements may mean that face-to-face meetings are not an option, communities still expect to have a say in the planning and delivery of projects that affect them. In order to engage communities without meeting face to face to hold successful virtual consultations, the following steps may be considered where needed.

Under conditions of a COVID 19 outbreak a common approach to stakeholder engagement where large gathering of the public is encouraged will need to change. There are numerous alternatives, but the key criteria for stakeholder engagement remains the same, and that is meaningful dialogue with project effected people with attention given to the most vulnerable. Every alternative must still include what feedback and suggestions were provided by stakeholders. Some suggestions for community engagement and consultations during a COVID-19 outbreak are listed below:

- Avoid public gatherings (taking into account national restrictions), including public hearings, workshops and community meetings;
- If smaller meetings are permitted, conduct consultations in small-group sessions of no more than 10 people, such as focus group meetings in an outside area which chairs place to meters apart;
- If in person meetings are not permitted, make efforts to conduct meetings through online channels, including WebEx, zoom and skype;
- Try social media and online channels to share activity information. Where possible and appropriate, create dedicated online platforms and chatgroups appropriate for the purpose;
- Employ traditional channels of communications (dedicated phonedlines, and mail) if a stakeholder does to do not have access to online channels or does not use them frequently;
- Where direct engagement with project affected people or beneficiaries is necessary, identify channels for direct communication with each affected household via a combination of email messages, mail, online platforms, dedicated phone lines with knowledgeable operators, or direct calling by the project team.

## **12.4 Stakeholder Consultations during Project Preparation**

For public consultations, the community members were notified in advance to assemble in common/designated places. Mainly key informants were consulted for these meetings which were carried out in an open at frank atmosphere conducive to appreciation of the basic elements of the project and dissemination of information on beneficial and adverse impacts and mitigation for adverse impacts. Information on positive and negative impacts associated with construction and operational stage and proper mitigation of adverse impacts were shared at these consultations.

A total of 188 people were consulted during the project preparatory stage by various teams. The Mansehra, Shangla, Kohistan, Khyber, Bara districts were involved in consultations. See **Table 4** below for a summary of these consultations.

**Table 4: Summary of Consultations with Key Stakeholders**

Sr. No.	Date	Location of Consultation	No of Participants	Concerns /Demands
1	11-03-2022	Govt Centennial High School Buner	Male = 69 Female = 23	<p>The community showed overall a positive behaviour towards the project. However, they expressed they are following concerns and demands:</p> <p>1) The participants informed that tehsil Chargarzai is the most remote are in the district and it lacks basic infrastructure like girl schools. There is only one girl's primary school in this tehsil which is very far away and the villages don't have proper access roads to the school which is why the attendance is very low. This tehsil is also a snow bound area and in winters it becomes very difficult for everyone to mobilize and reach the markets and hospitals.</p> <p>2) Community raised concerns that most small villages are on top of the mountains and the nearest schools are almost 10kms away with no proper roads or any access which makes it very difficult for them to send their children to schools.</p> <p>3) They were also concerned about the fact that the districts lack school. Special secondary and high school. There is no proper school for girls after primary and the ones that exist are very far away and they are not able to send their girls to school every day which is why most of them drop out. The community was very assuring that if proper infrastructure is provided, they will ensure that their girls get the necessary education needed for their welfare.</p> <p>4) One of their grave concerns were that because of no access roads their females face a lot of difficulty when they are pregnant and some mostly don't reach the hospitals in time. This lack of roads has also resulted in mothers dying enroute to the hospitals while being carried on beds.</p> <p>5) A member of the minority Sikh community was also present and requested that they have a Gurdwara in the area which has no access road at all.</p> <p>6) While talking about the current situation of the roads the community stated that almost all the roads are in very bad condition with no maintenance at all. Most of the roads were left incomplete and have now worsened. The quality of the roads built is very poor. There is no proper drains and during rains pot holes are made and they further ruin the road condition.</p> <p>7) The fugitive dust emission is common due to lack of paved road, the improved road structure will improve the air quality and will reduce the dust emissions.</p> <p>8) Currently there is no bus service in the area and they welcomed the idea that if proper access roads are made and a bus service is provided</p>



Sr. No.	Date	Location of Consultation	No of Participants	Concerns /Demands
				for the children to go to schools then they assured that the attendance of children will improve without a doubt.
2	15-3-022	Khyber (Bara)	Male = 72 Female = 24	<p>The community also showed overall a positive behaviour towards the project.</p> <p>However, their demands were as followings:</p> <ul style="list-style-type: none"> <li>• Due to military operations in the area, roads network is deteriorated causing the inconvenience to local community, school going children and medical patients.</li> <li>• They demanded that project should create jobs for local communities.</li> <li>• The infrastructure of schools for boys and girls is not in good conditions and thus required to substantially improve.</li> <li>• Sparse facilities for female medical treatment are available in the area. Improved medical facilities for male and female are required.</li> </ul>

## 12.5 RP disclosure and information dissemination during project implementation

The consultation and information disclosure process will continue throughout subproject implementation period and the PIU staff will retain a close liaison with the APs and other stakeholders. The consultation meetings with all stakeholders will be recorded and documented comprehensively, including signed attendance lists, photographs and minutes of the key issues addressed and agreements reached, observations made in the field, and outstanding issues in need of being addressed. The consultations will be documented in the RPs with consultation records appended. This information will be updated for each RP update and will also be continued in the monitoring reports. See **Table 5** for a consultation plan during project implementation.

**Table 5: Consultation and Information Disclosure**

Action	Stakeholders	Method	Outcome
<b>During RP preparation</b>			
Social impacts assessment	Affected households (AHs), APs and local community, Design consultants, PIU/project staff and relevant officials of revenue department	Individual meetings, focus group discussions.	Stakeholders including APs informed on project impacts. APs concerns recorded and mitigated.
Census, socio-economic survey and announcement of cut-off date	AHs, APs and local communities, PIU project staff, Local land revenue and other relevant government departments	Quantitative survey, and key informant interviews, Individual meeting, FGDs	AHs/APs profile and concerns and suggestions recorded. Cut-of date disclosed and

Action	Stakeholders	Method	Outcome
		and walk-through surveys	explained.
DMS and Asset Valuation	Affected households and APs, LAR consultants and PIU project staff, Local land revenue and other relevant government departments, Real estate agents and property appraisers, Local notables and communities.	Individual meetings, focus group discussions and key informant interviews.	Impacts and asset valuation explained to the APs.
Consultation meetings on (draft) final RP.	DHs/APs, local communities, PIU Design and LAR staff and design consultants, District Land Revenue authorities, LAC and Patwaris, relevant local government departments, CBOs and CSOs.	Formal RP disclosure meeting/workshop	The RP provisions disclosed and documented.
<b>During RP implementation</b>			
Disclosure of RP	AHs/APs, local communities, PIU Project and LAR staff, District Land Revenue authorities, LAC and Patwaris including other relevant local government departments, CBOs and CSOs.	Disclosure through websites, by placing hard copies of at accessible places in project corridor and through disseminating translated (Urdu) summary of RP to DHs/APs.	The RP uploaded on World Bank and EA websites, The APs and other stakeholders informed on RP provisions.
Grievance redress mechanism established and functional	APs, Local Communities, PIU project engineering and land staff, supervision consultants and civil work contractors, District Land Revenue authorities, LAC and Patwaris including other relevant local government departments etc.	Individual meetings focus group discussions and by disseminating GRM related information through leaflets, brochures and installing hoardings in the project corridor.	APs fully aware and accessing project based GRM to address their concerns.
RP implementation arrangement and timelines	APs, Local Communities, PIU project land staff, District Land Revenue authorities, LAC and Patwaris etc. supervision consultants and civil work contractors,	Individual meetings focus group discussions, By delivering compensation payment notices in the project corridor.	APs compensation claims processed and paid.

Action	Stakeholders	Method	Outcome
<b>RP Monitoring</b>			
RP monitoring	PIU project land staff, internal and external monitors, APs, and Local Communities, and PIU and World Bank.	Individual meetings, Key informant interviews FGDs and disclosure of monitoring results/reports on web.	RP implementation progress assessed and monitoring reports disclosed to APs and through web.

## **13. Arrangement for Monitoring and Evaluation**

### **13.1 Context**

Monitoring will be the main mechanism to alert the PIU of any delays and problems and will help measure the extent to which the main objectives of the RF have been achieved. This enables the PIU to make timely adjustments in implementation arrangements and take appropriate corrective measures during project implementation. It is, therefore, important that the adequate resources are made available and monitoring is integrated into the project's planning and management processes.

The overall purpose of monitoring is to keep track of the implementation processes and progress, achievement of performance targets fixed in the work plans, learning lessons and taking corrective actions to deal with emerging constraints and issues. The major objectives of monitoring and evaluation are to:

- ascertain whether activities are progressing as per schedule and the specified timelines are being met;
- assess if compensation, rehabilitation measures are sufficient;
- identify problems or potential issues;
- identify methods and corrective actions to rapidly mitigate any problems;
- ensure that RP objectives are met with and the standards of living of APs are restored or improved;
- collect gender disaggregated information to monitor the day-to-day resettlement activities of the project through the following (a) Review of project information for all APs; (b) consultation and informal interviews with APs; (c) key informant interviews; and, (d) community public meetings.

### **13.2 Monitoring of RP Implementation**

Monitoring aims at correcting implementation methods during the course of the Project, as required, while evaluation is intended at checking whether policies have been complied with and providing lessons learnt for amending strategies and implementation in a longer-term perspective. In order to assess whether these IR goals are met, RPs will indicate parameters to be monitored, timelines for resettlement program, institute monitoring milestones and provide resources necessary to carry out the monitoring activities.

#### **Internal Monitoring**

RP implementation and safeguards management activities for each subproject will be subject to internal monitoring and evaluation. Regular monitoring of RF implementation activities will be carried out internally by PIU. The PIU will provide World Bank with an effective basis for assessing resettlement progress and identifying potential difficulties and problems related to scope, the subproject's risks and impacts. Internal monitoring of RP implementation progress will assist to identify and resolve the impediments and ensure timely delivery of compensation and resolution of matter of concerns for APs and other stakeholders. The scope of internal monitoring will include: (i) compliance with the agreed policies and procedures for land acquisition; (ii) prompt approval, allocation and disbursement of compensation payments to APs, including, if necessary, supplemental compensation for additional and/or unforeseen losses; and, (iii) remedial actions, as required.

The objectives of internal monitoring will be to:

- verify that the valuation of assets lost or damaged, and the provision of compensation, resettlement and other rehabilitation entitlements, has been carried out in accordance with the resettlement policies provided by World Bank standards and guidelines;
- oversee that the RPs are implemented as designed and approved;
- verify that funds for implementation of the RPs are provided by PIU in a timely manner and in amounts sufficient for their purposes, and that such funds are utilized in accordance with the provisions of the RP.

The main internal indicators that will be monitored regularly include:

- entitlements are in accordance with this RF and that the assessment of compensation is carried out in accordance with agreed procedures;
- payment of compensation to the APs under the various categories is made in accordance with the level of compensation described in the RF and RPs;
- public information and public consultation and grievance procedures are followed as described in the RF and RPs;
- relocation and payment of subsistence and shifting allowances are made in a timely manner; and restoration of affected public facilities and infrastructure are completed prior to construction

Internal monitoring will include day to day tracking progress about IR planning and implementation activities including compensation payment progress, consultation and community feedback campaigns launched, resettlement, rehabilitation and income restoration measures implemented, community concerns and grievances recorded and resolved and corrective actions implemented.

The PIU will be responsible for supervision and implementation of RPs and will prepare quarterly progress reports on resettlement activities and submit these to the World Bank for review and approval. These internal quarterly monitoring reports will also highlight the bottlenecks and recommend ways and means to improve implementation including corrective action plans (CAPs) as relevant CAPs will be disclosed. The PIU will be responsible for internal monitoring. The social development specialist will provide necessary technical assistance in implementing and monitoring the resettlement activities. Quarterly reports will be forwarded to World Bank. All monitoring reports will be translated and disclosed to the APs and PIU website.

The monitoring and evaluation of RP implementation will ensure monitoring of key indicators on inputs, outputs, project processes and evaluation of impact indicators.

The PIU will be responsible for internal monitoring and share RP implementation progress and periodic monitoring reports with the World Bank. The census of APs and inventory of losses will constitute a base line for monitoring of RPs progress and PIU will manage and maintain updated LAR databases including quantified data on impacted assets with type, census details of the APs and compensation entitlements with payment progress against the entitlements and payable costs to each AP. Potential monitoring indicators from which specific indicators can be developed and refined according to the census and IOL for each subproject are set out in Table 6 below.

**Table 6: Verifiable indicators for internal monitoring**

<b>Monitoring Aspects</b>	<b>Potential Indicators</b>
Institutional set-up and resource allocation.	<ul style="list-style-type: none"> <li>• RP implementation and monitoring institutional set-up in place.</li> <li>• Budgeted RP costs released and placed at disposal LAR implementation entities.</li> <li>• Grievance redress mechanism established and explained to the APs and affected communities.</li> <li>• Coordination initiative implemented and APCs notified for continued consultations and participation of APs in RP implementation and monitoring.</li> </ul>
Delivery of Entitlements	<ul style="list-style-type: none"> <li>• Compensation entitlements disbursed, compared with number and category of losses set out in the entitlement matrix.</li> <li>• Relocation and rehabilitation costs and income restoration support provided as per entitlements and schedule.</li> <li>• Social infrastructure and services restored as and where required.</li> <li>• Entitlements against lost business including transitional support to re-establish enterprises delivered.</li> <li>• Income and livelihood restoration activities being implemented as set out in the income restoration plan.</li> </ul>
Restoration of living standard and income	<ul style="list-style-type: none"> <li>• Affected residential structures reconstructed/restored at relocation sites outside ROW limits.</li> <li>• Impacted business structures (shops/stalls) constructed/relocated outside construction limits and business/income activity restored.</li> <li>• Number and percentage of displaced persons covered under livelihood restoration and rehabilitation programs (women, men, and vulnerable groups).</li> <li>• Extent of participation in rehabilitation programs with degree of satisfaction about support received for income restoration.</li> <li>• Number of displaced persons who have restored their income and livelihood patterns (women, men, and vulnerable groups).</li> <li>• No of APs (especially vulnerable) provided opportunities in project related employment.</li> <li>• Percentage of displaced persons who improved their income and living standard (women, men, and vulnerable groups)</li> </ul>
Consultation and Grievances	<ul style="list-style-type: none"> <li>• Consultations organized as scheduled including meetings, groups, and community activities.</li> <li>• RP disclosure and information dissemination activities implemented and knowledge of entitlements by the displaced persons</li> <li>• Community awareness about grievance redresses mechanism and its use.</li> </ul>

<b>Monitoring Aspects</b>	<b>Potential Indicators</b>
	<ul style="list-style-type: none"> <li>• Progress on grievances recorded and resolved including information dissemination to AHs on the resolution of the grievances.</li> <li>• Information on the implementation of the social preparation phase and implementation of special measures for vulnerable groups.</li> </ul>
Communications and Participation	<ul style="list-style-type: none"> <li>• Number of meetings held with APs (male and female) to explain RP provisions, grievance redress mechanism and compensation disbursement mechanism.</li> <li>• Assessment about Level of information communicated—adequate or inadequate.</li> <li>• Number of APs (male female) participated in the meetings.</li> <li>• Number of meetings and consultations held with vulnerable and indigenous people (if any) with number of participants and level of information communicated.</li> </ul>
Benefit Monitoring	<ul style="list-style-type: none"> <li>• Compared to pre-project situation:</li> <li>• Changes noticed in patterns of occupation and resource use.</li> <li>• Changes observed in cost of living, income and expenditure patterns.</li> <li>• Changes access level and frequency with respect to social and cultural parameters.</li> <li>• Changes observed for vulnerable groups and IP.</li> </ul>

## External Monitoring

The extent of monitoring activities, including their scope and periodicity, will be commensurate with the project's risks and impacts. In case of subproject with significant IR impacts, PIU will engage the services of an independent monitoring agency (IMA) or consultant, not associated with project implementation, to undertake external monitoring and evaluation of the RP implementation particularly for high and moderate risks projects.

The external monitor will monitor and verify RP implementation progress and assess the achievement of RP objectives and compliance with World Bank's safeguards requirements through review of RP implementation progress reports, periodic internal monitoring reports and through, consultations with the APs and other stakeholders and impact assessment based on filed surveys. The key tasks of the external monitor will include:

- Review and verify internal monitoring reports prepared by PIU;
- Validate the RP implementation progress reported and assess the achieved level of RPs implementation progress, issues impeding RP implementation and actions required to improve the safeguards management;
- Review and assessment of compensation, relocation, rehabilitation and income restoration measures provided in the RPs and establish bench mark indicators for assessment and evaluation of level to which the RP objectives are accomplished.

- Review baseline information on socio-economic assessment, census and inventory of losses of pre-displaced persons and establish bench mark indicators for impact assessment through formal and informal surveys with the affected persons;
- Consult APs, officials, community leaders and assess level of information dissemination activities implemented, awareness and access level of APs and communities to project-based grievance redress and complaints handling systems;
- Assess resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning;
- Suggest actions for addressing the issues if any and corrective measures to be implemented by the PIU to ensure the safeguards management is fully consistent with RF provisions and World Bank safeguards requirements as outlined in RF.

**Table 7** below presents a set of suggested indicators for verification of the monitoring information of the PIU by a qualified and experienced external monitor.

**Table 7: Verifiable Indicators for External Monitor**

<b>Monitoring Indicator</b>	<b>Basis for Indicator</b>
Basic information on Affected persons/ households (Gender disaggregated data essential for all aspects)	<ul style="list-style-type: none"> <li>• Project location including description on project intervention and IR impacts.</li> <li>• Composition and structure, ages, educational, and skill levels with gender of household head</li> <li>• Vulnerable households and indigenous groups (if any)</li> <li>• Land and other resource-owning and resource-using patterns</li> <li>• Occupations and employment patterns and income sources and levels</li> <li>• Participation in neighborhood or community groups and access to cultural sites and events</li> </ul>
Compensation payment and Restoration of living standards	<ul style="list-style-type: none"> <li>• Has the compensation for acquired assets including land, structures and other assets delivered?</li> <li>• Were sufficient replacement land available and compensation payments sufficient to replace lost assets?</li> <li>• Were house compensation payments made free of depreciation, fees, or transfer costs to the displaced persons?</li> <li>• Have perceptions of community been restored?</li> <li>• Have displaced persons achieved replacement of affected assets particularly residential, commercial and productive assets and key social and cultural elements?</li> </ul>
Restoration of livelihoods (Disaggregate data for APs moving to group resettlement sites, self-relocating displaced persons, displaced persons with enterprises affected.)	<ul style="list-style-type: none"> <li>• Was the compensation for affected enterprise sufficient for re-establishing enterprises and production?</li> <li>• Have affected enterprises received sufficient assistance to reestablish themselves?</li> <li>• Have vulnerable groups been provided income-earning opportunities?</li> <li>• Are these opportunities effective and sustainable?</li> </ul>



Monitoring Indicator	Basis for Indicator
	<ul style="list-style-type: none"> <li>• Do jobs provided restore pre-project income levels and living standards?</li> </ul>
Information and satisfaction levels of APs.	<ul style="list-style-type: none"> <li>• How much do the APs know about resettlement procedures and entitlements?</li> <li>• Do the APs know their entitlements and aware on whether these have been met?</li> <li>• What is the perception of APs about the extent and level to which their living standards and livelihoods have been restored?</li> <li>• How much do the APs know about grievance procedures and conflict resolution procedures?</li> </ul>
Effectiveness of resettlement planning	<ul style="list-style-type: none"> <li>• Were the APs and their assets correctly enumerated?</li> <li>• Was the time frame and budget sufficient to meet objectives, were there institutional constraints?</li> <li>• Were entitlements based on replacement costs and adequate for rehabilitation and restoration of the APs?</li> <li>• Were vulnerable groups identified and assisted adequately?</li> <li>• How did resettlement implementers deal with unforeseen problems?</li> </ul>

Based on the external monitor’s report, if significant issues are identified, a corrective action plan (CAP) to take corrective measures will be prepared, reviewed and approved by World Bank and disclosed to APs. The CAP implementation progress will also be reviewed and monitored by the EMA and will be made part of the subsequent monitoring reports. Internal and external monitoring and reporting will continue until all LAR activities have been completed. The TORs of the EMA are annexed as Annex 5.

In addition to the above defined monitoring mechanism, the World Bank will also keep a close oversight on the subprojects implemented under the facility and will keep monitoring subproject on an ongoing basis by launching safeguards review missions periodically until a project completion report is issued.

### **13.3 Reporting Requirements and Disclosure of Monitoring Reports**

The PIU will prepare and submit semi-annual social safeguards monitoring reports to World Bank as part of project implementation performance monitoring. The semi-annual monitoring reports of RF implementation, and as applicable RP implementation of subprojects, will include: (i) a summary of RP performance of each subproject; (ii) a compliance review of RP implementation process; and (iii) a progress report on the quality of RP implementation in terms of application of guidelines provided in this RF.

The PIU will prepare quarterly progress reports on E&S compliance together with its regular progress reporting and share them with WB. These reports would describe the progress of the implementation of resettlement and other social impacts mitigation activities and any compliance issues and corrective actions taken during that period. The reports should clarify whether or not the objectives of RP implementation have been achieved, and more importantly

whether the income and livelihoods of APs have been restored/enhanced or not especially for vulnerable AP.

The periodic monitoring reports documenting progress on resettlement implementation and RPs completion reports will be provided through PD, PIU to World Bank for review and disclosure. In case of subprojects with significant resettlement impacts, the external monitoring reports will be prepared by an independent monitor who will prepare and submit bi-annual monitoring reports to PIU and World Bank for review and disclosures. PIU will also submit subproject completion reports to World Bank for each site when compensation has been paid. In addition to the routine monitoring reports, in cases wherever required and agreed between PIU and World Bank during execution of the project the PIU will prepare supplementary monitoring reports and share these with World Bank. Evaluation Report shall be prepared by the EMA during and at the end of the project implementation as part of the project completion report. All monitoring reports will subject to disclosure and will be disclosed on World Bank and PIU/CWD websites as and when cleared by World Bank.

## Annex 1: Social Screening Form

### Screening Questions for Involuntary Resettlement

Involuntary Resettlement Impact screening questionnaire.				
Probable IR/IP Impacts	Yes	No	Not Known	Remarks
<b>Involuntary Acquisition of Land and Resettlement Impacts</b>				
1. Will there be land acquisition?				
2. Is the site for land acquisition and ownership status and current usage of land to be acquired known?				
3. Will easement be utilized within an existing Right of Way (ROW)?				
4. Will there be loss of shelter and residential land due to land acquisition or due to clearance of existing right of way?				
5. Will there be loss of agricultural and other productive assets due to land acquisition or due to clearance of existing right of way?				
6. Will there be losses of crops, trees, and fixed assets due to land acquisition or due to clearance of existing right of way?				
7. Will there be loss of businesses or enterprises due to land acquisition or due to clearance of existing right of way?				
8. Will there be loss of income sources and means of livelihoods due to land acquisition or due to clearance of existing right of way?				
9. Will people lose access to natural resources, communal facilities and services due to involuntary restriction of land use or on access to legally designated parks/protected areas IA?				
10. Will access to land and resources owned communally or by the state be restricted?				
<b>Information on Affected Persons:</b>				
Any estimate of the likely number of persons that will be displaced by the Project? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, approximately how many? _____				
Are any of them poor, female-heads of households, or vulnerable to poverty risks? <input type="checkbox"/> No <input type="checkbox"/> Yes				
Are any displaced persons from indigenous or ethnic minority groups? <span style="float: right;">[</span> <input type="checkbox"/> No <input type="checkbox"/> Yes				

**Note:** The project team may attach additional information on the project, as necessary.

## **Annex 2: Outline of a Resettlement Plan**

1. This outline is part of the ESS5 Requirements. A RP is required for all projects with involuntary resettlement impacts. Its level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the RP.

### **A. Executive Summary**

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

### **B. Project Description**

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

### **C. Scope of Land Acquisition and Resettlement**

This section:

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

### **D. Socioeconomic Information and Profile**

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

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

### **E. Information Disclosure, Consultation, and Participation**

This section:

- i. Identifies project stakeholders, especially primary stakeholders;
- ii. Describes the consultation and participation mechanisms to be used during the different stages of the project cycle;

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

#### **F. Grievance Redress Mechanisms**

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

#### **G. Legal Framework**

This section:

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

#### **H. Entitlements, Assistance and Benefits**

This section:

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

#### **I. Relocation of Housing and Settlements**

This section:

Describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns

and support to vulnerable groups are identified);

- i. Describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- ii. Provides timetables for site preparation and transfer;
- iii. Describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- iv. Outlines measures to assist displaced persons with their transfer and establishment at new sites;
- v. Describes plans to provide civic infrastructure; and
- vi. Explains how integration with host populations will be carried out.

#### **J. Income Restoration and Rehabilitation**

This section:

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

#### **K. Resettlement Budget and Financing Plan**

This section:

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

#### **L. Institutional Arrangements**

This section:

- i. Describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- ii. Includes institutional capacity building program, including technical assistance, if required;
- iii. Describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- iv. Describes how women's groups will be involved in resettlement planning and management.

#### **M. Implementation Schedule**

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

#### **N. Monitoring and Reporting**

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

### **Annex 3: Sample TOR for Resettlement Plan Preparation**

#### **SCOPE OF WORK**

The resettlement planning consists of the following key tasks, each task including a series of planning activities:

##### **Task 1: Collection and review the available information**

The Consultant will collect primary and secondary data available with PIU. This will include but not limited to the sub-stations and TL alignment maps, project design details and other data relevant to the RP preparation. The consultant should pay particular attention to review the draft RF prepared by PIU and the feedback provided by the World Bank. The Consultant will have meetings with the PIU and World Bank to discuss the feedback to ensure that all comments are properly addressed in the subproject RPs.

##### **Task 2: Collecting the socioeconomic baseline information**

This task is to collect necessary socioeconomic information and the socioeconomic profile of the population of the project areas for the preparation of draft RPs and establish a socioeconomic baseline for the project area. These will, cover, but not be limited to, information on household characteristics including production systems, labor, household organization, baseline livelihood information – including income from formal and informal activities, standard of living, and health status, land tenure system in the local areas, land ownership, use and transaction practice as well as the local formal and informal institutions and traditional practices related to land use and land acquisitions, patterns of social interaction, such as social networks and support systems, and potential of how project may impact on these social interactions, public infrastructure and social services etc. An emphasis should be laid on the assessment of local social system including its impact on land tenure issues. Special attention should be paid to gender aspects and assessment of vulnerable groups.

##### **Task 2: Review of country legal framework and development of a project entitlement policy**

The consultant team will collect and review relevant laws, regulations and policies on land acquisition and resettlement in Pakistan and targeted provinces, and develop project entitlement matrix as required under the legal framework and World Bank ESS5 against various resettlement impacts under the Project. Legal Framework (much of this already included in the RF prepared for the project during preparation) including but not limited to the following:

- Identify if any preliminary legal issues may be encountered;
- Scope of eminent domain; legal and customary land tenure practices;
- Laws governing valuation of assets and losses;
- Legal and administrative procedures including remedies available to impacted persons in judicial process, and alternative relevant dispute resolution mechanisms (which can also be covered in Grievance Redress Mechanism);
- Natural resources usage rights;
- Social welfare legislations;



- Laws and regulations relating to agencies responsible for implementing resettlement activities;
- Gaps between provincial laws and World Bank policy, and describe measures to bridge the gaps;
- Legal steps needed to ensure effective implementation of resettlement such as the process for recognizing legal, customary, and traditional, usage land claims

The above should be conducted on the basis of the analysis of the legal policy framework and entitlement matrix contained in the project RF. Where necessary, the RF entitlement matrix will be updated in line with the agreed RF objectives and principles.

### **Task 3: Preparing the inventory of impacts and affected population**

This task will establish the resettlement impact profile of the project. It includes the following specific activities:

- Carry out 100% inventory survey of all impacts, including land, structures and crops, within the demarcated impact boundary as established in the detailed engineering design by the project EPC contracts;
- Carry out 100% census of the affected population;
- Establish a household impact profile for all affected households, documenting their assets and losses;
- Establish a project impact database, covering impacts and affected population, in kinds and quantities;
- Conduct an analysis of the vulnerability and poverty of the households; and
- Conduct an impact analysis and this is important for the mitigation strategy and action plan development.

### **Task 4: Develop compensation and livelihood restoration interventions**

The consultant will develop required measures for compensation and livelihood restoration. This will be developed against the identified impacts, including on private, communal and public assets, and in line with the project RF that are cleared for compliance of provincial laws and the policy of the World Bank. In case of suggestions for land owner “contribution”, the consultant will formulate principles, procedure and necessary documentation requirements. The compensation package and resettlement interventions need to be developed in consultation with local communities. This should follow a highly participatory process to ensure that the compensation and resettlement packages take into full consideration feedback from the communities and that they are compatible and acceptable with local cultural preferences and traditions.

### **Task 5: Review and propose institutional setup and implementation arrangements.**

The consultant will discuss with PIU, review the proposed organizational setup and implementation arrangements for resettlement implementation, and propose any additions or adjustments required. These arrangements should cover, at least, the following,

- Organizational setup at each implementation level, their respective responsibilities and staffing;

- Develop a plan to coordinate resettlement with civil works and identify clear procedures for coordination;
- A Grievance Redress Mechanism (GRM), its setup, operating modalities and procedures, taking into account availability of judicial recourse and traditional community dispute settlement mechanisms;
- Implementation schedule; and
- Internal and external monitoring arrangements and indicators.

### **Task 6: Conducting the stakeholder consultation and participation**

Resettlement planning will need to be conducted with participation of the key stakeholders. The consultant will identify the stakeholders, particularly local primary stakeholders, and engage them closely in the planning process. The consultant will document the stakeholder consultation process as well as developing a strategy for their continued engagement during the resettlement implementation process. Care should be taken to include women, where local traditions allow to do so.

### **Task 7: Preparing the cost estimate and budgeting**

The consultant will develop indicative cost estimates and cost out the developed compensation and livelihood restoration measures and propose the budget for the RP, as well as its financing arrangements. The consultant will identify and propose mechanisms to arrive at the market and replacement costs for losses of assets, describe proposed types and levels of compensation under local laws, and explain supplementary measures needed to achieve replacement cost in order to meet World Bank policy standards. Costs and budget will cover itemized cost estimates for all resettlement and compensation activities including allowances for inflation, transaction fees, contingencies and management cost for the RP implementation; sources of funds and arrangements for timely flow of funds. The consultant will discuss and agree with government on the above and financing arrangements.

## **RESETTLEMENT PLANNING METHODOLOGY**

This assignment will be carried out through a combination of various tools, including desk reviews and field surveys. A big source of information that should be fully utilized are the RF and community consultation outputs during the project preparation phase, as well as the SEP, ESMF and RFP prepared for KPRAP. The field tools would include virtual focus group discussions, questionnaire, census and in-depth interviews. The resettlement planning should be carried out in consultative and participatory process, closely involving local communities and other stakeholders. The consultant team should work closely with the Contractor and engineering design team so that the field surveys and community consultations are synchronized with the progress of engineering design.

## **TEAM REQUIREMENTS**

Teams of social & resettlement specialists need to be engaged for this assignment. The team will comprise of the following:

<b>Position</b>	<b>Minimum Qualification and Experience</b>
Resettlement Expert as Team Leader	At least 15 years of experience working on involuntary resettlement and preparation of RPs. Should also have experience as team leader. Experience of working on World Bank funded projects will be advantageous. S/he should have a

	post-graduate degree in a relevant social science (resettlement studies, development studies, sociology, anthropology, urban studies etc.).
Social and Livelihood Development Specialist	At least 10 years of experience in similar types of assignments. Experience of working on development projects in Power Sector will be preferred. Experience of working on World Bank funded projects will be advantageous. S/he should have a post-graduate university degree in a relevant social science (development studies, sociology, anthropology, urban studies etc.).
Gender Specialist	At least 10 years of experience working on gender issues especially with women. Experience of working on development projects in Pakistan including KP province will be preferred. Experience of working on World Bank funded projects will be advantageous. S/he should have a post-graduate university degree in a relevant social science (gender studies, development studies, sociology, etc.)
Evaluation Specialist	At least 10 years of experience working on evaluation of assets during resettlement planning. Experience of working on development projects in Pakistan including KP will be preferred. Experience of working on World Bank funded projects will be advantageous. S/he should have a post-graduate university degree in civil engineering or relevant field.
GIS Specialist	Bachelor's degree in ICT, Management Information Systems (MIS), Geographic Information Systems (GIS), or related field; with at least 5 years' experience of GIS data entry, presentation, and spatial data analysis using GIS software.
Supporting staff for surveys, data collection and entry	At least two years of field survey experience working in Pakistan including KP.

The above team should work in close collaboration with the Design team and the Contractors. Other team members can be added if a need is felt during the conduct of the Resettlement Planning.

### **ASSIGNMENT OUTPUT AND DURATION**

Two outputs are required. The first output is an assignment inception report after signing the contract. The consultant team will have technical discussions with engineering design team and Contractor (if on board) and develop its working plan to deliver this assignment. The inception report should at least describe the working plan, approach, methodology, team strength, mobilization and deployment, and overall schedule. The inception report should be submitted within two (2) weeks of the signing of the Contract Agreement.

The second assignment output is a draft RP on the arrangements of engineering design work,

and availability of project alignment. This RP should comply with the government RF agreed with the World Bank, and meet government as well as World Bank resettlement policies. The timeline of the assignment duration will be further discussed with the contractor engineering design team and proposed. The Draft RP should be submitted within three and a half (3.5) months after signing of the Contract Agreement. The final RP will be submitted within two (2) weeks after receipt of the comments from the World Bank.

### Annex 4: Sample Form of Grievance Documentation

#### Grievance Logging and Initial Response Template

Date of Receiving:		Grievance Number:	
Mode of Receiving:			
Name of Aggrieved Party/Person(s)			
Name of Organization			
Position			
Address			
Telephone/Fax			
Cell Number			
Email Address			
Most effective mean to receive response (please tick)	Post: _____	Email: _____	Phone: _____
Nature of Complaint:			
Received by:			
Date Inputted			
Initial Response (date and sent by):			
Resolved / Addressed by	Name: _____	Signature: _____	
Nature of Resolution			
Date of Resolution			
On-going/Closed			
Comments, if any			
Name of Signature of ESSC staff			

**FORMAT FOR RECORDING THE PROCEEDINGS OF  
GRIEVANCE REDRESS COMMITTEES**

1. Name of the complainant/s:
2. National identification number:
3. Address and contact details:
4. Date of the inquiry:
5. Time:
6. Whether complainant participated or not:
7. Grievance or issue (in summary):
8. Statement made by the complainant/s:
9. GRC recommendation:
10. Participants in the GRC:
11. Copies to:

## **Annex 5: Sample TORs for Third Party Monitoring**

### **Introduction**

External Monitor expert is required to verify and assess the monitoring information relevant to the implementation of this RP of KPRAP Project. The external expert will (i) verify the internal monitoring undertaken by PIU; (ii) conduct site visits, (iii) conduct meeting with relevant stakeholders district and provincial authorities involved in land acquisition and review implementation of resettlement activities semi-annually; (iv) review records of compensation payments, verify provision of entitlements to affected people and assess the significance of identified measures in restoring or enhancing AP's quality of life or livelihood; (v) advise PIU on safeguard compliance issue that arise in connection with the Project and agree on timeline in the conduct of agreed activity; (v) in the event of non-compliance, report to WB any non-compliance identified and recommend corrective actions to be incorporated in the corrective action plan to be prepared by the PIU.

### **Scope of Work**

- To prepare a monitoring and evaluation plan, for review and approval by the PIU and WB. The plan should clearly define the activities and deliverables per reporting, schedule and highlight the scope and strategy of monitoring system, key indicators and methodology in the collection and analysis of data;
- Validate the internal monitoring and reporting of PIU. The external monitor is expected to review the adequacy of PIU's internal monitoring and reporting procedure, including the number and qualification of company staff engaged in implementing the RP at different stages, determine adequacy and integrity of the process, recommend corrective actions and agree on the schedule of implementation of these corrective actions, if necessary;
- Validate the adequacy of public consultation and disclosure of information as designed and described in the RP. Where necessary, the External Monitor should advise PIU if additional public consultation and disclosure of information need to be undertaken. The External Monitor should validate on ground that appropriate consultations and information disclosure took place;
- Assess the extent to which the entitlement matrix, list of displaced/APs or households (authorized representative of affected households), and specific entitlements such as compensation amount and procedure, are followed including timeliness of payment. The Monitor must closely look into the veracity/correctness of available proof of compensation such as receipt or any other document stating acceptance of compensation by the representative of APs/households;
- Assess the adequacy of income restoration strategy and evaluate the matching of specific livelihood development activities against the needs of the intended recipients/beneficiaries. The External Monitor should document the implementation of each activity and determine effectiveness to affected people including women and vulnerable groups;
- Assess the adequacy of institutional arrangements, specifically the capacity of PIU, the local authorities involved in the land acquisition and resettlement process and other organizations expected to implement the RP to ensure that the objectives of the RP and the OP 4.12 are achieved, and suggest necessary enhancement measures,

if necessary;

- Validate the adequacy of the GRM and suggest necessary enhancement measures, subject to further public consultations and disclosure, if necessary. Verify on ground the level of awareness of the community within the project impact area on the existing GRM, common issues raised, resolution of each registered case and level of satisfaction of community on the GRM;
- Conduct an interim audit of land acquisition and compensation and resettlement activities for people affected by the Project. As part of the audit, the following will be conducted:
  - Socio-economic survey will be undertaken to gather information on the AP's land area, land use including farm and livelihood activities, yield and income derived from the affected land, and APs sources of incomes, etc. prior to the Project taking possession of the land;
  - Audit of status of compensation payments, use of funds received by the affected people and current socio-economic living conditions;
  - Audit of project impacts on women as well as their needs and concerns and identify any additional potential assistance for women in affected villages;
  - An assessment of whether compensation at replacement cost has been paid, whether the livelihoods and standard of living of the APs have been restored and whether all activities implemented are in line with WB's policy requirements;
  - Based on the findings of the audit, the external monitor will prepare a Corrective Action Plan with estimated budget, timeline and implementation arrangements;
  - When unanticipated involuntary resettlement impacts are found during RP implementation, the External Monitor should assess and advise PIU the need to conduct additional social impact assessment and/or updating of RP, and ensure all existing applicable requirements, entitlements and provisions are followed;
  - Document and highlight major problems/issues encountered and lessons learned;
  - Where necessary, participate in discussion with PIU and among various Project lenders (such as WB) and its consultants;
  - The External Monitor will conduct semi-annual site visits, interview affected people and conduct consultations;
  - Immediately after completion of RP implementation, the External Monitor will undertake a RP Completion Audit covering all APs. The audit will also be supported by findings of the socio-economic survey which will include data on livelihoods and income levels of affected people that would help to determine whether affected households have been able to restore or improve their socio-economic status compared to the pre-Project level;
  - In the event that the RP Completion Audit finds that the objectives of the RP and the OP 4.12 have not been met, the External Monitor will continue with the quarterly site visits during the duration of the implementation of the Corrective Action Plan; and
  - Within 2 years following the completion of RP implementation (or Corrective Action Plan in case Audit findings show non-compliance), conduct annual site visits



to monitor whether affected people have maintained or improved their socio-economic status.

### **Deliverables**

The External Monitor will deliver the following reports:

- A Monitoring and Evaluation Plan, within one month after appointment
- Interim Audit Report, within 3 months after completion of land acquisition compensation
- payments
- External monitoring reports
- In the event that a Corrective Action Plan is prepared following the audit, prepare a close out report upon completion of CAP implementation.
- Following completion of RP/CAP implementation, prepare annual monitoring reports thereafter.

External monitoring reports and all other reports will be submitted simultaneously to PIU and WB. An evaluation report at the end of the project will be prepared with critical analysis of the achievements of the program and performance of the project as well as PIU.

### **Qualification and Experience of Consultant**

The Consultant will have sufficient technical capacity to provide the above services and the specialists will have a Master's degree in social science or relevant field and a minimum of 10 years' experience in dealing with social/community development projects and demonstrated experience in the resettlement monitoring requirements, as per involuntary resettlement/land acquisition, WB's involuntary resettlement operational policy, Pakistan's Land Acquisition Act of 1894, etc.