

SFG4060

**Peshawar Torkham Expressway Corridor Project
(Component II- Economic Corridor Development)**

Resettlement Policy Framework

**Islamabad
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DISCLAIMER

This draft Resettlement Policy Framework (RPF) prepared for the Component-II of Peshawar Torkham Economic Corridor Project (P159577) is still under review by the Government and will not be legally binding until final approval.

List of Acronyms

ADB	Asian Development Bank
AH	Affected household
AI	Access to Information
APA	Assistant Political Agent
ARAP	Abbreviated Resettlement Action Plan
BHU	Basic Health Unit
BIZ	Bara Industrial Zone
C&W	Communication and Works (Department)
CAS	Compulsory acquisition surcharge
CBN	Cost of Basic Needs
CBO	Community based organization
CETP	Combined Effluent Treatment Plant
CFTC	Common Facility Training Center
CoI	Corridor of Influence
CPEC	China Pakistan Economic Corridor
CR	Complaint register
DPD	Deputy Project Director
EMP	Environmental Management Plan
EPA	Environmental Protection Agency
ERRP	Emergency Road Recovery Project
ERRRP	Emergency Rural Road Recovery Project
ESMP	Environmental and Social Management Plan
FATA	Federally Administered Tribal Areas
FCR	Frontier Crimes Regulations
FDA	FATA Development Authority
FIDIC	International Federation of Consulting Engineers
FUCP	FATA Urban Centers Project
FR	Frontier Region
GoKP	Government of Khyber Pakhtunkhwa
GM	General Manager
GoP	Government of Pakistan
GRC	Grievances Redressal Committee
GRM	Grievances Redressal Mechanism
IDP	Internally displaced people
IMC	Independent Monitoring Consultant
IOC	Incremental Operating Cost
IPP	Independent Power Producers

CAA	Katchi Abadis Act
KP	Khyber Pakhtunkhwa
LAA	Land Acquisition Act
LAC	Land Acquisition Collector
LAR	Land Acquisition and Resettlement
LGO	Local Government Ordinance
M&E	Monitoring and Evaluation
M&EC	Monitoring and Evaluation Consultants
MMC	Mohmand Marble City
NCS	National Conservation Strategy
NGO	Non-Governmental Organization
NHA	National Highways Authority
NWFP	North West Frontier Province (now KP)
OP	Operational Policy
P&D	Planning and Development
P&DD	Planning and Development Department
PA	Political Agent
PASDEC	Pakistan Stone Development Company
PAD	Project Appraisal Document
PAH	Project affected household
PAP	Project Affected Person
PAPC	PAPs Committee
PD	Project Director
PDO	Project Development Objective
PEPA	Pakistan Environmental Protection Act
PIU	Project Implementation Unit
PKR	Pakistan Rupee
PMU	Project Management Unit
PPP	Public Private Partnership
PSC	Project Steering Committee
PTEC	Peshawar Torkham Expressway Corridor
QPR	Quarterly Progress Report
RAP	Resettlement Action Plan
RC	Resettlement Committee
RLCIP	Rural Livelihood and Community Infrastructure Project
RPF	Resettlement Policy Framework
SA	Social assessment
SADP	Southern Area Development Project
SIA	Social Impact Assessment

SME	Small and medium enterprise
SMF	Social Management Framework
TDP	Temporarily Displaced Person
ToR	Terms of Reference
USAID	United States Agency for International Development
USD	United States Dollar
W&SD	Works and Services Department
WB	World Bank

Glossary of Terms

Asset Inventory	A complete count and description of all properties and or assets that may be affected due to the project.
Cut-off-Date	The date of start of census for all land and non-land related entitlements. It is the date for announcement of Section 4 notification under the LA Act of 1894 under which any person entering the project area after the cut-off date is not eligible to receive the agreed upon entitlements. The Bank accepts the date of the baseline survey as the cutoff date for eligibility.
Economic Displacement	A loss of productive assets or usage rights or livelihood capacities caused by the project.
Economic Rehabilitation	Economic rehabilitation implies the measures taken for income restoration or economic recovery, so that the affected population can improve or at least restore its previous standard of living.
Eligibility	The criteria for qualification to receive benefits under a resettlement program.
Encroachers/squatters	People who do not have legal title, and have trespassed onto private/community land to which they are not authorized. If such people arrived before the entitlements cut-off date, they are eligible for compensation for any structures, crops or land improvements that they will lose.
Entitlement	Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation, which are due to displaced persons, depending on the nature of their losses, to restore their economic and social base.
Involuntary Resettlement	Land and/or asset loss which results in a reduction of livelihood level. These losses have to be compensated for so that no person is worse off than he/she was before the loss of land and/or assets.
<i>Jirga</i>	<i>Jirga</i> refers to a traditional assembly of local elders, usually men, nominated to resolve community concerns/disputes.
Kharif	Summer cropping season of the year (15 th April to 15 th September).
Livelihood restoration	Specific activities intended at supporting displaced peoples' efforts to restore their livelihoods to pre-project levels. Livelihood restoration is distinguished from compensation. Livelihood restoration measures typically include a combination of cash or other allowances and support activities such as training, agricultural assistance or business

		enhancement. Livelihood restoration is often referred to as economic rehabilitation.
Market Value		It is broadly defined as the price which a willing vendor would reasonably expect to obtain from a willing purchaser. It is the value to the seller of the property in its actual condition at the time of expropriation with all its existing advantages and with all its possibilities excluding any advantage due to the carrying out of a scheme for which the property is compulsorily acquired.
Patwari		An official of the District Administration from District Revenue Office deputed at village level that is responsible for all land and revenue related matters.
Project Affected Household		All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project or any of its components; may consist of a single nuclear family or an extended family group.
Project Affected Person		Any person or household adversely affected by any project related change or changes in use of land, water or other natural resources, or the person/s who loses his/her/their asset or property movable or fixed, in full or in part including land, with or without displacement, after the commencement and during execution of a project.
Rabi		Winter cropping season of the year (15 September to 15 th April).
Rehabilitation		Compensatory measures provided under the WB Policy Framework on Involuntary Resettlement other than payment of the replacement cost of acquired assets.
Relocation		The physical resettlement of PAPs from his/ her pre-project place of residence.
Replacement value/ Replacement cost ¹		<p>“Replacement cost” is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account.</p> <p>The current market value of the asset plus transaction costs (e.g. taxes, stamp duties, legal and notarization fees, registration fees, travel costs and any other such costs as may be incurred as a result of the transaction or transfer of property). This compensation should be made in goods or resources that are of equivalent or greater value and that are culturally appropriate.</p> <p>i) Agricultural land: the market value of land of equal productive use or potential located in the vicinity of the</p>

¹ Further guidance is available in OP 4.12 and its annexes.

	<p>affected land, plus the cost of preparation to levels similar to or better than those of the affected land, and transaction costs such as registration and transfer taxes.</p> <p>ii) Residential land: the market value of land of equivalent area and use, with similar or improved infrastructure and services preferably located in the vicinity of the affected land, plus transaction costs such as registration and transfer taxes.</p> <p>iii) Houses and other structures: the cost of purchasing or building a new structure, with an area and quality similar to or better than those of the affected structure, or of repairing a partially affected structure, including labor and contractors' fees and transaction costs such as registration and transfer taxes.</p>
Resettlement Action Plan	A resettlement action plan is a planning document that describes what will be done to address the direct social and economic impacts associated with involuntary resettlement.
Resettlement Allowance	Cash paid to cover resettlement related expenses other than losses of immovable assets. An allowance is distinguished from compensation, which reimburses the loss of an immovable asset.
Resettlement Compensation	Payment in cash or in kind for an asset or resource acquired or affected by the project.
Resettlement Entitlements	Resettlement entitlements with respect to a particular eligibility category are the sum total of compensation and other forms of assistance provided to displaced persons in the respective eligibility category.
Substantial/Significant Resettlement Impacts	Two hundred or more people physically displaced or losing more than 10 percent of their productive assets (income generating).
Tehsil	Tehsil is a sub-district (i.e. the layer of administration below a district).
Vulnerable Household	Households that might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and include: (i) female headed households; (ii) disabled-headed households; (iii) child-headed households; (iv) households falling under the generally accepted indicator for poverty; (v) elderly-headed households with no means of support and landlessness; (vi) households without security of tenure; and (vii) ethnic minorities and indigenous people. Other groups may also qualify as "vulnerable" in the light of disadvantaged circumstances.

Executive Summary

The Government of FATA has prepared the present Resettlement Policy Framework (RPF) to address the potential resettlement impacts from Component II- Economic Corridor Development of the Peshawar-Torkham Expressway Corridor (PTEC) project, in line with the national regulatory as well as WB safeguard requirements. Component II aims to alleviate the main constraints on the development of key regional value chains – particularly marble and horticulture - in the Greater Peshawar area to maximize the benefits of the Expressway for the region.

Project Overview

The GoP intends to develop the Peshawar-Torkham Expressway Corridor Project. This includes two major components – Component-I focuses on the development of a 47 km long expressway from Torkham to Peshawar while Component II encompasses the development of economic activities in the vicinity of the expressway corridor.

It is envisaged that Component II will facilitate increased flows of national and international trade and integrate local producers into regional and global value chains. Activities under this component will focus on four areas: (i) National Single Window for customs complementing the border crossing process improvements at Torkham being supported by the Asian Development Bank (ADB) (ii) Strategic technical assistance to FATA Secretariat and KP Government covering preparation of Greater Peshawar Economic Development Plan, reinforcement of key institutions relevant to economic development of Greater Peshawar, and design and implementation of reforms of business development; (iii) rehabilitation/upgrading of secondary transport infrastructure, connecting communities and industrial zones in FATA and Peshawar to the Peshawar Torkham Expressway; iv) upgrading upto four industrial zones in FATA: Mohmand Marble City (MMC), Bara, Jamrud/Shahkus and Mulagori; and v) skills development of men and women in FATA to promote entrepreneurship.

The present RPF covers the Component II of the project; a separate Resettlement Action Plan (RAP) has been prepared for Component I.

Regulatory and Policy Requirements

The present RPF has been prepared to address the requirements defined in the national and provincial regulations namely Land Acquisition Act of 1894 and Frontier Crimes Regulations (FCR), 1901. In addition, the RPF addresses the requirements detailed in the WB operational policy on Involuntary Resettlement (OP 4.12).

Resettlement Policy Framework (RPF)

The present RPF has been prepared for all subprojects to be proposed under the Component II of the PTEC project. The exact nature and locations of these subprojects are not decided yet hence the exact scope and scale of resettlement aspects cannot be determined either. Therefore subproject-specific resettlement planning cannot be carried out nor can the associated Resettlement Action Plans (RAPs) be prepared at this stage. Instead, the present RPF has been prepared that provides a framework to guide the preparation of future RAPs for the subprojects to be identified and implemented under the Component II of the project.

The objective for the RPF is to set out the policies, principles, institutional arrangements, schedules and indicative budget that will take care of anticipated land acquisition and resettlement. These arrangements will also ensure that there is a systematic process for the

different stages of the implementation of a framework that assures participation of affected persons, involvement of relevant institutions and stakeholders, adherence to both World Bank and Government of Pakistan procedures and requirements, and outline compensation for affected persons. This RPF thus serves as the framework within which RAPs will be developed when the project is certain of the locations and specific impacts of the subprojects.

Potential Resettlement Impacts of the Project

As described earlier, the specific activities under Component II of the project comprise: (i) National single window complementing the border crossing process improvements at Torkham being supported by the ADB (ii) Strategic technical assistance covering preparation of Greater Peshawar Economic Development Plan, reinforcement of key institutions relevant to economic development of Greater Peshawar, and design and implementation of reforms of business development; (iii) rehabilitation/upgrading of secondary transport infrastructure, connecting communities and industrial zones in FATA and Peshawar to the Peshawar Torkham Expressway; iv) upgrading up to four industrial zones in FATA: Mohmand Marble City (MMC), Bara, Jamrud/Shahkus, and Mulagori; and v) skills development of men and women in FATA to promote entrepreneurship. The third and fourth of the above listed activities have the greatest potential to cause resettlement impacts. The fifth activity may also require land acquisition, however, the scope is not clearly defined at this stage. Though the exact location of the secondary roads and nature and extent of their rehabilitation activities are not known at this stage, these activities may however cause resettlement impacts such as land acquisition and or economic displacement.

Similarly, though the nature and extent of rehabilitation and upgrading of industrial zones is not known at this stage, these activities may cause resettlement impacts such as land acquisition and/or economic displacement.

In addition to above, the *implementation* of economic development plans though not included in the PTEC project, may also cause resettlement impacts similar to the ones mentioned above.

Eligibility and Entitlement

To meet the requirements of the WB's Involuntary Resettlement Policy, the following basic principles will be followed during the resettlement planning and implementation:

- Adverse impacts on project-affected persons (PAPs) would be avoided or minimized to the extent possible.
- Where the adverse impacts are unavoidable, the PAPs will be compensated.
- Vulnerable groups will be identified and assisted to improve their standard of living;
- The project will make cash compensation to the PAPs for their affected land, structures and other assets.
- The owners of affected structures, in addition to cash compensation for the structure on replacement cost will be allowed to salvage their building material. This applies to the owners including absentee owners of all categories of immovable structures.
- Before taking possession of the acquired land and properties, compensation/assistance will be made in accordance with Bank Policy.

- Appropriate grievance redress mechanism will be established at field and project level to ensure speedy resolution of disputes.
- All PAPs are eligible for compensation and livelihood/income restoration irrespective of possession of land title. A title would however be required for payment of compensation for land.
- All compensation will be paid at replacement value for assets without deducting depreciation and salvage value.
- All PAPs and stakeholders will be consulted to improve the design of the project, for preparation of the safeguards documents and over the life of the project.

The following persons would be eligible for compensation and or resettlement assistance:

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

Entitlement of various categories of resettlement impacts and PAPs is presented in the matrix below.

Table ES.1: Entitlement Matrix

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²
Temporary impacts on arable land (in view of the scale and nature of the subprojects under Component II, the duration of such temporary impacts is likely to be short, typically 3-4 months for small projects and can be larger for bigger projects).	Access is not restricted and existing or current land use will remain unchanged	Farmers/ Titleholders	<ul style="list-style-type: none"> • No compensation for land provided that the land is rehabilitated/ restored to its former quality following completion of works; • Compensation, in cash, for all damaged crops and trees. • Compensation, in cash, for income loss if any for the duration of the temporary impacts.
		Leaseholders	<ul style="list-style-type: none"> • No compensation for land provided that the land is

² Compensation for all assets will be paid to the owner of the asset.

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²
		<i>(registered or not)</i>	rehabilitated/ restored to its former quality following completion of works; <ul style="list-style-type: none"> • Compensation, in cash, for all damaged crops and trees. • Compensation, in cash, for income loss if any for the duration of the temporary impacts.
		Sharecroppers <i>(registered or not)</i>	<ul style="list-style-type: none"> • Compensation, in cash, for all damaged crops and trees. • Compensation, in cash, for income loss if any for the duration of the temporary impacts.
		Agricultural workers	<ul style="list-style-type: none"> • Cash indemnity corresponding to their salary (including portion in kind) for the period of temporary disturbance due to project activities.
		Squatters	<ul style="list-style-type: none"> • Compensation, in cash, for all damaged crops and trees, where these are owned by the squatters. • Compensation, in cash, for income loss if any for the duration of the temporary impacts.
Permanent impacts on arable land where access is restricted and/or land use will be affected	All adverse effects on land use independent of severity of impact	Farmers/ Titleholders Landowners with customary rights	<ul style="list-style-type: none"> • Land for land compensation with plots of equal value and productivity to the plots lost, ensuring economic viability of the new land and also ensuring that the PAPs' livelihood is not negatively affected; or; • Cash compensation plus 15% compulsory acquisition surcharge (CAS) for affected land at replacement cost based on market value free of taxes, registration, and transfer costs
		Leaseholders <i>(registered or not)</i>	<ul style="list-style-type: none"> • Renewal of lease contract in other plots of equal value/ productivity of plots lost, or • Cash equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of three years).
		Sharecroppers <i>(registered or not)</i>	<ul style="list-style-type: none"> • Cash equivalent to market value of the lost harvest share once (temporary impact) or twice (permanent impact). • Provision of livelihood

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²
			restoration support (i.e, inclusion in the Livelihood Restoration Plan).
		Agricultural workers losing their contract	<ul style="list-style-type: none"> • Cash indemnity corresponding to their salary (including portions in kind) for the remaining part of the agricultural year. • Provision of livelihood restoration support (i.e, inclusion in the Livelihood Restoration Plan).
		Squatters	<ul style="list-style-type: none"> • One rehabilitation allowance equal to market value of one gross harvest (in addition to crop compensation) for land use loss.
	Additional provisions for severe impacts (Land loss more than 10% of land holding)	Farmers/ Titleholders Leaseholders	<ul style="list-style-type: none"> • One severe impact allowance equal to market value of gross harvest of the affected land for one year (inclusive of winter and summer crop and additional to standard crop compensation).
		Sharecroppers (<i>registered or not</i>)	<ul style="list-style-type: none"> • One severe impact allowance equal to market value of share of harvest lost (additional to standard crop compensation)
		Squatters	<ul style="list-style-type: none"> • One severe impact allowance equal to market value of gross harvest of the affected land for one year (inclusive of winter and summer crops and additional to standard crop compensation)
Residential or Commercial Land		Titleholders/ People with customary rights	<ul style="list-style-type: none"> • Land for land compensation through provision of a plot comparable in value/ location to plot lost or • Cash compensation plus 15% CAS for affected land at full replacement cost free of taxes, registration, and transfer costs.
		Renters/ Leaseholders	<ul style="list-style-type: none"> • 3 months' rent or a value proportionate to the duration of the remaining lease, including any deposits they may lose.
		Squatters	<ul style="list-style-type: none"> • Accommodation in available alternate land/ or a self-relocation allowance equivalent to one month of official minimum wage.
Houses/ Structures	Full loss of structures; partial loss of structures; moving	Owners	<ul style="list-style-type: none"> • Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation and transaction

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²
	minor structure, kiosks and temporary structures.		costs. <ul style="list-style-type: none"> • In case of partial permanent impacts full cash assistance to restore remaining structure, in addition to compensation at replacement cost for the affected part of the structure.
Houses/ Structures	Full loss of structures; partial loss of structures; moving minor structure; kiosks and temporary structure	Tenants	<ul style="list-style-type: none"> • Affected tenants will receive cash compensation of a value proportionate to the duration of the remaining lease period, or three months, whichever is higher.
Crops	Crops affected	All PAPs owning crops (including squatters)	<ul style="list-style-type: none"> • Crop compensation in cash at full market rate for one harvest (either winter or summer) by default for impacts caused by the project activities. • All other crop losses will be compensated at market rates based on actual losses.
Trees	Trees affected	All PAPs owning trees (including squatters)	<ul style="list-style-type: none"> • For timber/ wood trees, the compensation will be at market value of tree's wood content. • Fruit trees: cash compensation based on lost production for the entire period needed to re-establish a tree of equal productivity.
Business/ Employment	Temporary or permanent loss of business or employment	All PAPs (including squatters, agriculture workers)	<ul style="list-style-type: none"> • Business owner: (i) Cash compensation equal to one year income, if loss is permanent; ii) in case of temporary loss, cash compensation equal to the period of the interruption of business up to a maximum of six months or covering the period of income loss based on construction activity. • Workers/ employees: Indemnity for lost wages for the period of business interruption up to a maximum of three months (to be calculated on the basis of Cost of Basic Needs (CBN), which is currently PKR 3,030 per person per month).

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²
Relocation	Transport and transitional livelihood costs	All PAPs affected by relocation	<ul style="list-style-type: none"> • Provision of sufficient allowance to cover transport expenses and livelihood expenses for one month (to be calculated on the basis of CBN per person).
Community assets	Mosques, foot bridges, roads, schools, health center	Affected community	<ul style="list-style-type: none"> • Rehabilitation/ substitution of affected structures/ utilities (i.e. mosques, footbridges, roads, schools, health centers).
Vulnerable PAPs livelihood	Households below poverty line; female headed households; disable persons.	All vulnerable PAPs	<ul style="list-style-type: none"> • Lump sum one time livelihood assistance allowance (to be calculated on the basis of CBN per person) on account of livelihood restoration support. • Temporary or permanent employment during construction or operation, where ever feasible. • Provision of one time PKR 15,000 moving assistance to cover transport expenses, where applicable.
Unidentified Losses	Unanticipated impacts	All PAPs	<ul style="list-style-type: none"> • Deal appropriately during project implementation according to the World Bank Operational Policies.

Resettlement Planning

A separate Resettlement Action Plan (RAP) or an Abbreviated RAP (ARAP) will need to be prepared for each subproject (or a collection of subprojects) involving resettlement impacts. Before the approval of each subproject for the WB financing, its RAP or ARAP will need to be cleared by the Bank. RAPs and ARAPs shall be based on the following principles:

- identify possibility of land acquisition and resettlement during screening of subprojects;
- minimize resettlement through relocation/realignment of the project site, where possible;
- if resettlement is unavoidable, prepare a RAP or an ARAP in line with World Bank OP 4.12;
- undertake meaningful consultation with project affected persons (PAPs);
- ensure PAPs are clearly identified including those with no formal rights;
- restore their livelihood;
- pay compensation in time before civil works on the respective subproject start, and;
- disclose all relevant information.

Cut-off date. The cut-off date shall be set to prevent false claims for compensation or rehabilitation. Normally, this cut-off date is the date when the census begins. Compensation

eligibility will be limited by a cut-off date for each subproject on the day of the beginning of the census survey for the impact assessment in order to avoid an influx of outsiders. The cut-off date will be announced through local means of communication including face-to-face communication with communities. Any persons who would settle/or build assets on encroached lands in the affected areas after the cut-off date will not be eligible for compensation.

RAP Preparation

The RAP preparation activities will be initiated as part of the preparation of each new subproject involving resettlement impacts. The requirement will be to take the completed detailed design of proposed subproject and carry out resettlement surveys (a measurement survey and enumeration). The RAP consultants will acquire map of the land from the Revenue Department and overlay subproject detailed design with clear demarcation of government land, and carryout demarcation on the ground in the presence of local community representatives in a transparent manner to avoid any confusion. After assessment of all impacts of a subproject, a RAP will be prepared to compensate/mitigate the identified impacts. Any unforeseen or additional impacts will be mitigated in the light of principles and procedures laid down in the present RPF. The RAP preparation will entail the following studies and investigations: Socioeconomic Survey; Census Survey; Impacts Assessment and Inventory; Gender Impacts, Eligibility, Entitlement and Compensation Determination; Devising Livelihood Restoration and Rehabilitation Measures; Stakeholder Consultations; Institutional Arrangements and GRM; Devising Monitoring and Evaluation Mechanism and Resettlement Budget Estimation.

All RAPs prepared for Component II subprojects will need to be cleared by the World Bank.

The executive summaries of approved RAPs will be translated in Urdu and available for public review at suitable locations including project office, offices of the concerned government department/agency, and office of the Political Agent where relevant. RAPs and their Urdu translations will be placed on the official websites of GoKP and FATA Secretariat.

Implementation Arrangements

Component II will be implemented by the FATA Secretariat and FATA Development Authority (FDA). A Steering Committee comprising of the Additional Chief Secretary for FATA, the Director of Projects (FATA Secretariat), the Head of FDA and, to ensure full coordination with KP, the Secretary of the Planning and Development Department (P&DD) of the Government of Khyber Pakhtunkhwa (GoKP) may be made part of the steering committee for ensuring effective implementation of the component.

There shall be a dedicated Project Implementation Unit (PIU) established within the FATA Secretariat in Peshawar, headed by the General Manager (Peshawar-Torkham Economic Corridor Project). There is a possibility that some procurement tasks shall be delegated to the Chief Engineer of FATA and FDA. The PIU will be adequately staffed with competent professionals and will also be responsible for the Social Safeguard aspects.

A Social and Resettlement Management Unit (SRMU) will need to be established within the PIU. The proposed composition of SRMU is as below:

- Deputy Manager, Social and Resettlement: focal person for social and resettlement aspects

- Assistant Manager (Social): member;
- Assistant Manager (Resettlement): member;
- A representative of a Community Based Organization (CBO) or a local Non-governmental Organization (NGO).

The SIA/SMP and RAP/ARAP of sub-projects will be prepared by SRMU in accordance with SMF and RPF by hiring a consultant/or by supervisory consultants and these will be submitted to WB for approval.

A Resettlement Unit (RU) will be established at Sub-Project level (field level) for the implementation of the RAP/ARAP (when RAP/ARAP is prepared). The proposed RU will have the following members, in addition to its own technical staff including an Executive Engineer:

- Assistant Political Agent/Land Acquisition Collector (LAC) KP
- Representative of PIU
- Representatives of Contractor
- RAP/ARAP Implementation Consultant
- Naib Tehsil Dar/ Patwari (KP)
- Representative of Project Affected Persons Committee (PAPC) (male & female)

The PAPC will be formed at the field level with participation from each village.

The PIU will engage Independent Monitoring Consultant (IMC) to periodically monitor project activities to ensure compliance with the design and other requirements such as social safeguards. The IMC will also be responsible to monitor the SIA/SMP and RAP/ARAPs implementation. For this purpose, they will periodically visit the site, hold meetings with the PIU, SRMU, RU, and most importantly, the PAPC. They will review the documentation related to SIA/SMP and RAP/ARAPs implementation and particularly review the GRM record.

Monitoring and Evaluation

Monitoring of the implementation of RPF/RAP/ARAP will be carried out in two tiers. In the first tier, internal monitoring will be carried out by PIU (FATA Secretariat) with the assistance of SRMU, whereas in the second tier, external monitoring will be carried out by the Independent Monitoring Consultants (IMC). The purpose of these monitoring activities is to ensure that the implementation of safeguard documents (SMF/SIA/SMP and RPF/RAP/ARAP) in a timely manner, in accordance with the procedures described in the RPF, and in compliance with the national as well as WB safeguard policies.

All activities involved in the preparation and implementation of each RAP will be monitored along with the status of resolution of all complaints (with details). Internal monitoring will be carried out routinely by the social and resettlement specialist of PIU. Results of internal monitoring will be compiled and shared with the Steering Committee, PAPs, and the Bank through monthly and quarterly progress reports (QPRs). Indicators for the internal monitoring will be those related to process, immediate outputs and results.

Grievance Redress Mechanism³

A multi-tier grievance redress mechanism (GRM) will be established for Component II of the project to facilitate amicable and timely resolution of complaints and grievances of the communities including PAPs regarding the resettlement issues (as well as other social and environmental aspects of the project). For making effectively operational, the set-up of GRM will be at three different tiers.

- **Tier 1 (Village/ Community level – Local Jirga):** When a grievance arises, the PAPs (male or female) may contact directly with the village level committee. The committee may resolve the concern at their doorstep. If the issue is successfully resolved, no further follow-up is required. The committee will make all efforts to resolve the issue within 10 days of launch of complaint.
- **Tier 2 (Grievance Redress Committee (GRC) at PIU level):** If no solution can be found at Tier 1, the PAPs (male and female) may enter concern/grievance to the GRC (PIU). The GRC will log the complaint along with relevant details in the community Complaint Register (CR). For each complaint, the GRC will investigate and prepare Fact-Finding Report and assess its eligibility, and identify an appropriate solution. Accordingly, the concerns will be redressed/appropriately responded within 15 days. Thus, the GRC will, as appropriate, instruct the responsible entity to take corrective actions. The GRC will review the responsible entity's response and undertake additional monitoring as needed. During the complaint investigation, the GRC will work in close consultation with the Contractors, the Project Consultants, PIU/SRMU and RU.
- **Tier 3 (FATA Secretariat level):** If still, the complainant is not satisfied/issue not resolved, then GRC will forward the complaint to FATA Secretariat for remedial measures and decisions/grievance (s) will be resolved accordingly. The committee at FATA Secretariat level will consist of Political Agent (PA), PIU, as well as PAPC/PAP representative and grievance (s) will be resolved in three weeks.

The GRM will be established and operated in a transparent and participatory manner. Complete details of the GRM including its procedures will be widely disseminated particularly among the local communities and PAPs, the GRM registers will remain accessible to communities and other stakeholders, and complete information of the corrective actions taken in response to the grievances will be shared with the stakeholders particularly the related community. The grievance redress mechanism will be gender responsive, culturally appropriate, and readily accessible to the PAPs at no cost and without retribution. The entire system will be completely accessible to women and girls and female PAPCs established (if needed) will help to facilitate the redress of grievances and complaints of females.

Documentation and Reporting

The entire process of RAP preparation and implementation will need to be properly documented and reported. This will include consultations, surveys and data collection

³ Guidance on GRM is available in the following documents: 1) World Bank. 2014. The World Bank's Approach to Grievance Redress in Projects. Washington, DC (<https://openknowledge.worldbank.org/handle/10986/20119>.) 2. World Bank. 2014. Evaluating a grievance redress mechanism. Washington, DC : World Bank Group (<http://documents.worldbank.org/curated/en/431781468158375570/Evaluating-a-grievance-redress-mechanism>).

carried out during RAP preparation, RAP compilation, updated loss inventories, updated PAP lists, compensation payments, consultation records, GRM record, and minutes of site meetings. The RAP Consultants will prepare quarterly reports covering the preparation and implementation progress of each RAP. Similarly, separate reports will be prepared for internal as well as external monitoring discussed earlier.

Budget and Financing

The cost of implementation of the present RPF has been estimated to be **USD 920,000**. This includes salaries for social development/resettlement specialist of PIU, cost of engaging RAP Consultants, and training costs. The cost of implementation of each RAP is not known at this stage and hence these are not covered here. This cost will be covered under Component III of the project.

Stakeholder Consultations

Stakeholder consultations during the resettlement planning is increasingly considered an important notion and requirements which increases the authenticity and acceptability of planning itself but more importantly can possibly enhance the quality of decisions making as well. Stakeholder consultation/participation during various stages of developmental projects helps improve the decision making and ultimately leads towards sustainable development.

Stakeholder consultation is a two-way process. For stakeholders, the consultation process is an opportunity to obtain project information, to raise issues and concerns, and ask questions. For the project proponents, the consultation process offers opportunity to understand the stakeholders and their concerns about the project, their needs and aspirations, and also their suggestions that can potentially help shape the project. Listening to stakeholder concerns and feedback can be a valuable source of information that can improve project design and outcomes and help the project proponent to identify and control external risks. It can also form the basis for future collaboration and partnerships.

The national/provincial legislation and WB safeguard policies require consultations to be carried out particularly with the affected communities as part of the environmental and social assessment process. The consultations carried out while preparing the present RPF and reported in this Chapter as well as those planned while preparing subproject-specific RAPs meet these requirements.

Consultations carried out during RPF preparation. Consultations were carried out in the areas where activities under the Component II are likely to take place. A summary of these consultations is provided below.

- Local community of the villages adjacent to the Mohmand Marble City is in favor the construction of MMC and they consider this project to be beneficial to them primarily because it will generate employment opportunities for them. Furthermore, they approve the location of the MMC since the land, which was completely barren and uneven, has now been converted into the industrial estate.⁴ The villagers are considering MMC as a new beginning for their future since the job and business opportunities will help them generate income and raise their living standards.

⁴ The location and nature of subprojects under Component II of PTEC within MMC are still not known, hence this RPF has been prepared instead of RAP or ARAP (see Section on Resettlement Policy Framework on page viii).

- Villagers are looking forward to the construction of economic zone and its associated facilities like construction of local roads, health and education facilities, but at the same time they are also afraid that their land will be occupied and due to construction work they could be disturbed.
- Community is directly affected by issues such as noise and dust generated by construction works.
- People are concerned about the nearby Perchavi Industrial Estate that releases waste effluents into their residential area.
- Currently there is no dry port in the area, but the people are in favor of establishing such a facility in the area.
- Land sale-purchase is carried out through the *Jirga* and a formal agreement on a court paper is signed for this process between the seller and the buyer.

Consultation Framework. The stakeholder consultation is an ongoing process and will continue throughout the project's implementation. The ongoing consultation process could be scheduled on a regular basis with the stakeholders including but not limited to the PAPs, concerned government departments, local administration and the community representatives from the proposed project area. The Consultation and Participation Framework to be implemented during project is presented in **Table ES.2** below.

Table ES.2: Consultation and Participation Framework

Description	Target Stakeholders	Timing	Responsibility
<ul style="list-style-type: none"> • Stakeholder consultations as part of the preparation of each subproject-specific RAP 	<ul style="list-style-type: none"> • Primary stakeholders particularly PA • Secondary stakeholders 	During preparation of each RAP	RAP Consultants
<ul style="list-style-type: none"> • Public awareness campaigns/ scoping sessions to share the RAP with the project affected persons/ communities; and other stakeholders. • Location: various places in project area 	<ul style="list-style-type: none"> • Potential PAPs/ communities within subproject area, general public; and line departments/ agencies. 	Commencing with the preparation of first RAP; to be continued thereafter	PIU/ RAP Consultants
<ul style="list-style-type: none"> • Consultations and participation during verification of resettlement impacts and PAP list • Location: various places in project area 	<ul style="list-style-type: none"> • Potential PAPs; and communities within and around subproject area 	Before implementation of subprojects	PIU and RAP Consultants
<ul style="list-style-type: none"> • Consultations with the PAPs/ communities during each RAP implementation • Location: various places in project area 	<ul style="list-style-type: none"> • PAPs/ Communities at/around subproject area 	Before commencement of subproject activities.	PIU and RAP Consultants
<ul style="list-style-type: none"> • Establishment of GRM and GRCs • Location: various places in project area 	<ul style="list-style-type: none"> • PAPs/ Communities at/around subproject area 	Before commencement of subproject activities.	PIU and RAP Consultants

Description	Target Stakeholders	Timing	Responsibility
<ul style="list-style-type: none"> Grievance redress Location: various places in project area 	<ul style="list-style-type: none"> PIU staff; consultants; relevant line departments; and PAPs (as needed). 	Subproject implementation Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Focus group meetings to obtain views of stakeholders and ensure their involvement in project design and implementation. Location: various places in project area 	<ul style="list-style-type: none"> Women and girls particularly from the affected communities/PAPs. 	Subproject implementation Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Informal consultations and discussions. Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	Subproject implementation Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Consultations with the PAPs/ communities during internal monitoring Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	Construction Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Fortnightly meetings at project sites Location: Site offices 	<ul style="list-style-type: none"> PIU staff; consultants; and PAPs (as needed). 	Construction Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Consultations with the PAPs/ Communities during the Independent Monitoring Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	Construction Stage	M&EC
<ul style="list-style-type: none"> Consultation workshops to review RAP implementation, any outstanding issues and grievances, views and concerns of PAPs; and actions needed to address them. Location: site offices within project area. 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area; relevant line department; relevant non-governmental organization (NGOs) 	Six-monthly during implementation phase	PIU and RAP Consultants
<ul style="list-style-type: none"> Consultations with the PAPs/ Communities relating to the leftover tasks Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	After completion of subprojects	PIU and RAP Consultants
<ul style="list-style-type: none"> Consultations with the PAPs/ Communities during the site visits by the World Bank Review Missions. Location: various places in project area. 	<ul style="list-style-type: none"> PIU; project consultants; PAPs 	Construction/ Operation Stage	PIU; WB Mission

Disclosure

The present RFP will be disclosed through official websites of GoKP and FATA Secretariat and will also be sent to World Bank for disclosure. The executive summary of RFP will be translated in to Urdu and will be disclosed through the above-mentioned websites and will be made available to the affected communities. The Urdu version of RFP executive summary will be made available to PAPs also within the project area at site offices. Once the subproject-specific RAPs are prepared and approved, they will be disclosed in a similar manner.

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1. Introduction

The Government of Pakistan (GoP) intends to undertake the Peshawar – Torkham Expressway Corridor (PTEC) project and seeks World Bank (WB) funding for this purpose. In line with the national regulatory as well as WB safeguard requirements and to address potential resettlement impacts of the project, the FATA Government has prepared the present Resettlement Policy Framework (RPF) of the project.

1.1. Project Overview

The World Bank is supporting the Government of Pakistan to develop the Peshawar-Torkham Expressway Corridor Project. This includes two major components – Component-I focuses on the development of a 47 km expressway from Peshawar to Torkham while Component II encompasses the development of economic activities in the vicinity of the expressway corridor. It is envisaged that the second component will facilitate increased flows of national and international trade and integrate local producers into regional and global value chains.

Activities under Component II of the project will focus: (i) Strategic technical assistance covering preparation of Greater Peshawar Economic Development Plan, reinforcement of key institutions relevant to economic development of Greater Peshawar, and design and implementation of reforms of business development; (ii) rehabilitation/upgrading of secondary transport infrastructure, connecting communities and industrial zones in FATA and Peshawar to the Peshawar Torkham Expressway; (iii) upgrading up to four industrial zones in FATA: Mohmand Marble City (MMC), Bara, Jamrud/Shahkus, and Mulagori; and (iv) skills development of men and women in FATA to promote entrepreneurship. .

Activities in the second group will seek to reduce the costs and improve the profitability of trade between Pakistan, Afghanistan and Central Asia and will seek to capitalize on such trade by enabling the formation of agglomeration economies along the corridor.

The present RPF covers the Component II of the project; a separate Resettlement Action Plan (RAP) has been prepared for the Component I.

Further details on the proposed project are provided later in the document.

1.2. Regulatory and Policy Requirements

The national and provincial environmental protection laws require proponent of each development project to carry out an environmental and social assessment and seek approval from the relevant environmental protection agency. The resettlement issues fall under the social impacts of the project therefore they are also covered under the above mentioned laws. In addition, the Land Acquisition Act of 1894 addresses the acquisition of private properties for public purposes including development projects in Pakistan, while Frontier Crimes Regulations (FCR), 1901, covers the land acquisition procedures in FATA. These laws are further discussed later in the document.

The WB Operational Policy on Involuntary Resettlement sets out requirements for participation in resettlement planning, mandates compensation for assets at replacement cost, and expects to see that incomes and standards of living of affected persons are improved or at least restored to what they were prior to displacement. This is further discussed later in the document.

The present document seeks to address the requirements specified by the above national/provincial laws and WB Operational Policy.

1.3. Resettlement Policy Framework (RPF)

The present RPF has been prepared for all subprojects to be proposed under the Component II of the project. The exact nature and locations of these subprojects are not decided yet hence the exact scope and scale of resettlement aspects cannot be determined either. Therefore subproject-specific resettlement planning cannot be carried out nor can the associated resettlement action plans (RAPs) be prepared at this stage. Instead, the present RPF has been prepared that provides a framework to guide the preparation of future RAPs for the subprojects to be identified and implemented under the Component II of the project.

The objective for the RPF is to set out the policies, principles, institutional arrangements, schedules and indicative budget that will take care of anticipated land acquisition and resettlement. These arrangements will also ensure that there is a systematic process for the different stages of the implementation of a framework that assures participation of affected persons, involvement of relevant institutions and stakeholders, adherence to both World Bank and Government of Pakistan procedures and requirements, and outline compensation for affected persons. This RPF thus serves as the framework within which RAPs will be developed when the project is certain of the locations and specific impacts of the subprojects.

1.4. RPF Methodology

The RPF has been prepared employing the standard methodology described below.

1.4.1. Review of the Project Details

At the onset of the study, the project details were obtained from the concerned departments and studied carefully. Meetings were held with the concerned officials and World Bank task team. Attempts were made to obtain as much information as available at this stage on the subprojects under Component II. Data gaps were identified where needed and data collection needs specified for the RAPs to be prepared for the individual subprojects.

1.4.2. Review of Relevant Legislation, Policies, and Guidelines

In order to determine the policy, legal and institutional environment for the project, the applicable policies, guidelines and legislations concerning the project's resettlement aspects were reviewed. As the project is to be implemented in Khyber Pakhtunkhwa (KP) and FATA, and funded by the World Bank, the following policies and legislations were reviewed:

- Policies and legislations of Government of Pakistan and Government of KP.
- The World Bank Guidelines, Policies and Directives.

The national legislations most relevant to the proposed RPF include the Land Acquisition Act of 1894 and FCR, 1901. The Operational Policy (OP) 4.12 defines the relevant WB requirements concerning involuntary resettlement.

During the proposed study, the above legislations, regulations, and policies were studied in depth to determine their relevance and applicability to the proposed project, in addition to determining and specifying actions to be taken by the project proponents / implementing agencies to fulfill the associated requirements.

1.4.3. Review of Secondary Literature

Under this task, relevant published and unpublished reports and documents were identified and reviewed. These included among others similar RPFs and RAPs particularly of donor-funded projects, project documents, monitoring reports, news articles, and research reports. The primary objective of this task was to determine the resettlement impacts of project similar to the proposed project and the associated mitigation/management strategies that have proposed. Secondary data was also collected where applicable to obtain baseline conditions of the project area and its surroundings.

1.4.4. Scoping

During this phase, key information on the project was reviewed and key resettlement impacts charted out. A long list of the potential resettlement issues likely to arise as a result of the project was developed. Subsequently, the significant potential impacts were short listed, screening out the non-relevant and or insignificant impacts, based upon their nature and severity. Furthermore, the area of influence of the project activities was determined to the extent possible at this stage. Thus the sectoral as well as spatial boundaries of the project were determined for the purpose of the RPF preparation. A stakeholder analysis was also carried out for the consultations to be carried out later for subproject level RAPs during project implementation.

1.4.5. Stakeholder Consultations

Stakeholder consultations were carried out in some subproject locations during the RPF preparation. Meetings were held with the stakeholders to discuss key resettlement issues associated or perceived to be associated with the project. Some initial consultations with the grass-root and institutional stakeholders were also carried out during this stage; more extensive consultations will be carried out while preparing RAPs of the subprojects under the project during its implementation. Focus and objective of the consultations was to disseminate the project information among the stakeholders and to obtain their views, concerns and apprehensions about the project and its potential resettlement impacts. The ultimate aim of this process is to ensure greater transparency, participation, sustainable project design, people-friendly project implementation and resettlement.

As part of this task, consultation framework was also developed to be implemented during the project implementation particularly during the preparation of RAPs of individual subprojects.

1.4.6. Collection of Baseline Data

During this phase, baseline data was collected and compiled, in order to develop an initial baseline of the project area's socio-economic aspects, using both secondary sources and information collected during field visits. Secondary sources were used to the extent possible as described in **Section 1.4.3** earlier. Subsequent to this, field visits were carried out to the selected subproject sites known at this stage. During the field visits, anecdotal information was collected at and around the subproject sites on socioeconomic aspects such as demography, occupations, income and livelihood sources, expenditure, housing, land use, land holdings, settlements, poverty level, social amenities, and any social sensitivity. Need of detailed data collection to be carried out during RAP preparation of individual subprojects was also determined.

1.4.7. Resettlement Impact Assessment

Based upon the field investigations described above, various categories of resettlement impacts of the project were identified. These may include impacts on land, crops, trees, houses, other structures, livelihood sources and income generation. The eligibility was defined and an entitlement matrix prepared in accordance with the national legislation as well as WB safeguard policies on resettlement. On the basis of this matrix, compensation for each category of resettlement impact was determined. Finally, the RPF implementation, institutional, monitoring, and documentation arrangements were formulated, in addition to describing the capacity building needs.

1.4.8. RPF Compilation

During this task, the process and outcome of the tasks described above was compiled in the form of the present RPF. The structure of the RPF is described in the section below.

1.5. RPF Structure

Executive Summary: This provides a general summary of the RPF contents and key findings, in a vocabulary that is easily understood by the public at large. It will be clear and concisely cover all aspects of the report.

Project Description: This Chapter provides a simplified description of the Project, with an emphasis on subprojects to be financed under Component II. The project description includes background and purpose of the project; components of the project with emphasis on those components that will finance subprojects; anticipated types of subprojects; project target areas; project coordination and implementation arrangements including details of institutional arrangements for managing the subproject cycle; and annual reporting and performance review requirements. This Chapter has been compiled on the basis of information obtained from the project proponents and WB.

Review of Policy and Regulatory Frameworks: This Chapter describes the relevant national/provincial legal requirements related to resettlement as indicated in various legislation, regulations and guidelines relevant to the project and RPF as well as the World Bank's safeguard policies applicable to the project and its subprojects. The Chapter also states how such requirements will be complied during various phases of the project. It also identifies gaps between national/provincial regulatory requirements and the Bank's safeguard policies, and also provides practical measures and recommendations to bridge the gap between the two sources of legislations. It also lists national institutions that would be involved in reviewing and approving subprojects and their RAPs.

Socio-Economic Characteristics: This Chapter covers the dimensions of the study area and relevant socioeconomic conditions. This Chapter has been compiled on the basis of baseline data collection described in **Sections 1.4.3 and 1.4.6.**

Eligibility and Entitlement. This Chapter specifies the compensation type for the different categories, losses and affected persons. Also provided in this Chapter is a matrix that includes the type of compensation that each identified project affected person (PAP) will be entitled to and a rationale as part of the matrix explaining the reasoning behind the entitlement.

Resettlement Planning and Implementation. This Chapter describes the organizational arrangements, responsibilities and roles related to RAP preparation and implementation. It also describes the Project-based institutional structure required for implementing all

aspects of the resettlement process. Key staff positions and their roles have also been presented. The Chapter also describes the approval processes for the various stages of the compensation work including the various actors and their roles and responsibilities. The Chapter also includes monitoring and evaluation system, an assessment of the institutional capacity of the implementing agency to manage resettlement planning and implementation, measures needed to strengthen institutional capacity, reporting protocol, a grievance redress mechanism, and finally, cost of RPF implementation.

Stakeholder Consultations. This Chapter includes a Consultation Framework for consultation and participation by the PAPs in the resettlement planning and implementation process until they have received their entitlements. The process and outcome of the consultations carried out during the present study have also been included in this Chapter.

2. Project Description

This Chapter provides a simplified description of the proposed project and its components. The description has been borrowed from the assignment's terms of reference (ToR) and Project Appraisal Document (PAD). Further details on the subprojects will be included in the respective RAPs.

2.1. Project Overview

The World Bank is supporting the Government of Pakistan to develop the Peshawar Torkham Expressway Corridor Project. This includes two major components – Component I focuses on the development of a 47 km expressway from Peshawar to Torkham while Component II encompasses the development of economic activities in the vicinity of the expressway corridor. It is envisaged that the Component II will facilitate increased flows of national and international trade and integrate local producers into regional and global value chains. As described in **Chapter 1**, activities will focus on four areas: (i) National single window complementing the border crossing process improvements at Torkham being supported by the ADB (ii) Strategic technical assistance covering preparation of Greater Peshawar Economic Development Plan, reinforcement of key institutions relevant to economic development of Greater Peshawar, and design and implementation of reforms of business development; (iii) rehabilitation/upgrading of secondary transport infrastructure, connecting communities and industrial zones in FATA and Peshawar to the Peshawar Torkham Expressway; iv) upgrading up to four industrial zones in FATA, namely Mohmand Marble City (MMC), Bara, Jamrud/Shahkus, and Mulagori; and v) skills development of men and women in FATA to promote entrepreneurship.

Activities in the second group will seek to reduce the costs and improve the profitability of trade between Pakistan, Afghanistan and Central Asia and will seek to capitalize on such trade by enabling the formation of agglomeration economies along the corridor. They fall into three categories:

- Additional transport infrastructure to connect the Peshawar-Torkham Expressway, local communities and the China Pakistan Economic Corridor (CPEC). Such activities will be financed by the government. The project could support such investments starting with their feasibility studies in the context of a regional master plan which would also be supported by the project.
- Upgrading and development of industrial zones along the Peshawar-Torkham Economic Corridor. Such activities will be financed through public private partnerships. The Project could support the public share of such investments – including the provision of facilities which would make these industrial zones more inclusive (e.g. common facility centers for small and medium enterprises (SMEs), day care centers for women workers) and sustainable (e.g. combined effluent treatment plants).
- Development of warehouse facilities (including cold storage), trucking terminals and a dry port facility (to alleviate the need to resolve custom issues in Karachi – solution which worked well in Sialkot). Such activities should be financed primarily by the private sector. The project could support their feasibility and help mobilize and coordinate private sector financing.

2.2. Project Objective

The proposed Project Development Objective (PDO) is to improve regional connectivity by reducing the transit time and cost of trade between Pakistan and Afghanistan; and support the production of export-oriented goods in the greater Peshawar economic area inclusive skills development along the Peshawar–Torkham international trade corridor.

2.3. Project Beneficiaries

Internal and external trade and commerce will benefit from reductions in transit costs and times for goods using the project corridor. Project beneficiaries will comprise road users, small and medium enterprises (SMEs), consumers of tradeable goods and services, owners and employees of firms producing tradeable goods and services along the project corridor and/or served through the link/secondary roads.

Project beneficiaries will also include the neglected segments of the society including internally displaced persons, poor women and youth who will have increased access to socio-economic and job opportunities.

2.4. Project Components

2.4.1. Component-1 – Expressway Development⁵

The anchor of the Peshawar-Torkham Economic Corridor is a new expressway which will provide a reliable and safe driving environment with higher travelling speeds. The existing Peshawar-Torkham Road is part of the National Highway N-5 that goes through the historic Khyber Pass which has great historical significance and has been an important trade route between Central and South Asia. The 400-years old existing carriageway is a 6.0-meter-wide, a two-lane facility with earthen shoulders. Improvements to the existing highway are constrained by heavy population settlements on either side, a railway line running adjacent to the road and steep gradients and sharp curves that are difficult for large multi-axle commercial trucks to negotiate. Geometrics are inadequate to cater for the modern high speed heavy vehicular traffic.

The proposed 47 km four-lane expressway will be built on a new alignment with much improved geometry. The proposed four-lane expressway will be constructed as a dual highway facility with a 7.3-meter-wide carriageway on each side and 3.0-meter-wide treated shoulders. The Project is expected to create a number of road side businesses at entry and exit points (interchanges) such as tea stalls, food kiosks, restaurants, petrol stations, vehicle repair workshops, and so on. It is estimated that about 40,000 skilled and semi-skilled laborers will be employed during construction. The new expressway will provide a reliable and safe driving environment with higher travelling speeds resulting in reductions in transit time and costs for regional and international trade goods using Peshawar-Torkham international trade corridor. The proposed expressway is an extension of the Karachi-Lahore-Islamabad-Peshawar Trans-Pakistan Expressway System as well as part of the Peshawar-Kabul-Dushanbe Motorway. The proposed expressway will be the first transformative step towards connecting Central Asian markets through Afghanistan to the CPEC.

⁵ The present RPF does not cover this component; a separate Resettlement Action Plan has been prepared for this.

2.4.2. Component-II – Economic Trade Corridor Development

This component aims to alleviate constraints on production in the Greater Peshawar area to maximize the benefits of the Expressway for the region. Component-II focuses on FATA specifically, where ongoing and planned investment by donors and the GoP are relatively limited.

Component-II investments seek to facilitate improvements in the productivity of existing enterprises in FATA and encourage private investments in the area. Two potential target sectors are marble production, a sector in which FATA has 446 processing units (which account for 20% of Pakistan's production);⁶ and horticulture. Both sectors have great potential for export. For instance, although marble exports are currently limited, the mineral can fetch prices around five to ten times higher in international markets than in local markets.⁷ Fruits and vegetables, which may be further processed, already comprise a substantial share of export volume through Torkham. Further, both sectors have substantial participation by SMEs, and given their relatively high labor intensity, show great potential for employment including for returning internally displaced people (IDPs), as well as for women, and youth. In the longer term, investments may catalyze investment in light manufacturing, a sector in which Chinese investors have already expressed interest to FATA Development Authority (FDA), and the potential for which will grow with increased regional connectivity through CPEC.

The activities completed under Component-II will be finalized at the beginning of project implementation, following the completion of an integrated Greater Peshawar Economic Development Plan. Based on the analysis of other projects described above, it has been agreed with the FATA Secretariat that activities will consist of:

- a. **National Single Window (Est. US\$ 20.0 million):** The project will complement the ADB project aimed at improving the Torkham border, through the implementation of a National Single Window for customs. This will complement the border crossing process improvements at Torkham being supported by the ADB (e.g. improved inspection regime).
- b. **Strategic Technical Assistance (Est. US\$ 6.0 million):** This activity will support three broad tasks: (i) preparation of an integrated Greater Peshawar Economic Development Plan, covering relevant agencies of KP and FATA, that maps existing, on-going, and planned soft and hard infrastructure, identifies factors that inhibit economic development and poverty alleviation in the area, and offers proposals for policy reform and public investments to address these factors; (ii) reinforcement of key institutions relevant to the economic development of Greater Peshawar, in anticipation of the merger between nearby FATA agencies and KP; and (iii) design and implementation of reforms of the business environment in FATA – in particular securing the mining property rights to promote investments and higher mining yields.
- c. **Secondary Transport Infrastructure (Est. US\$ 20.0 million):** This activity will support the development and rehabilitation of secondary and link roads connecting communities and industrial zones in FATA to the Peshawar-Torkham Expressway. This activity may also support the development of Public Private Partnerships (PPPs) for logistics and market infrastructure, for instance truck terminals, modern

⁶ FATA Development Authority, 2010, Survey of Industries, Service Sector, Labor Force and Constraints; FATA Development Statistics, 2013

⁷ Emergency Project Paper, Competitive Industries Project for KP (CIPK), The World Bank

warehousing facilities and display centers at the junction of the Expressway and the Indus Highway (N-55) which connects the Expressway to the port in Karachi. Specific investments will be identified based on the Greater Peshawar Economic Development Plan and will be fully coordinated with other donor and stakeholder agencies, especially United States Agency for International Development (USAID), which is engaged in developing linkage roads in KP, and Asian Development Bank (ADB), which is financing hard infrastructure for trade facilitation.

- d. **Upgrading of Industrial Zones (Est. US\$ 20.0 million)**: As a practical solution to address multiple constraints on production at the same time, while also capturing additional benefits from industrial agglomeration, this activity will support infrastructure investments in upto four existing industrial zones in FATA: Mohmand Marble City (MMC); Bara; Jamrud/Shahkus; or Mulagori. Rehabilitating these zones is a priority of the FDA, but the GoP has, as of now, planned investments in zones only in KP. The nature of investments to be supported will be decided based on independent feasibility assessments, discussions with stakeholders, and the Greater Peshawar Economic Development Plan. They are expected to include Independent Power Producers (IPPs); Combined Effluent Treatment Plants (CETPs); plug and play industrial buildings for SMEs with shared pools of equipment, and facilities to promote female employment (i.e. day care centers, safe transportation and housing). The upgrading will be carried out by competitively selected private sector firms that may also be expected to finance at least part of the development cost, with the exact amount to be determined through the competitive process in which the financial contribution from the private sector firm may be a key selection criterion.
- e. **Skills Development (Est. US\$ 5.0 million)**: This activity will upgrade the skills of men and women in FATA to meet the demands of industries with revealed economic potential. The training program will be developed in partnership with private sector firms operating in the industrial zones to ensure trainings are demand driven. For instance, assistance may develop a Common Facility Training Center (CFTC) at MMC, to help SMEs adopt modern marble processing technologies in order to meet quality standards demanded by international markets. Another program to be supported could be trainings in modern warehouse management, to complement logistics PPPs developed as part of the secondary transport infrastructure described above. It is envisioned that in the medium term, private firms will possibly bear the operating cost of such trainings once established. This subcomponent will entail technical assistance to FDA in order to establish rigorous monitoring and impact evaluation systems. Assistance will build on lessons learned from the Punjab Skills Development Fund, which has developed methods to competitively select private and non-profit sector training providers, and then support them to improving their business models and ensure long-term sustainability.

2.4.3. Component-III – Project Management

This component shall finance costs associated with incremental operating costs (IOC) under the project incurred by the Recipient and the Project Implementing Entity for purposes of the implementation, management, and monitoring and evaluation of the Project, on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, office space rental, building and equipment maintenance, domestic travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but

excluding salaries, fees, honoraria, and bonuses of members of the Recipient's civil service.

2.5. Implementation Arrangements

Implementation period of the project is five years (March 7, 2018 to March 7, 2023).

To ensure focus and avoid unnecessary complications, both components will be implemented independently with each having its own designated accounts. Substantive coordination will be ensured through the development of the masterplans under component 1. Process coordination will be ensured through regular interactions between the National Highway Authority (NHA) Project Manager and the Chief Engineer of the FATA Secretariat as well as through joint supervision of both components by the World Bank project team. The implementation arrangement for each component is described below.

2.5.1. Component-I – Expressway Corridor Development

Component I will be implemented by NHA.

Overall Oversight Arrangements. A Project Steering Committee comprising of Chairman NHA, Member (Planning), Member (Construction), Member (Finance) and General Manager (Peshawar-Torkham Expressway Project) will provide overall guidance and oversight and be responsible for ensuring effective implementation of the project.

Project Management Unit (PMU). There shall be a Project Management Unit (PMU) at NHA Headquarters in Islamabad, headed by the General Manager (Peshawar-Torkham Expressway Project). The PMU functioning as the Project Secretariat shall support the Project Steering Committee. The PMU shall be adequately staffed with competent professionals. In addition to the technical staff, the PMU will include an Environmental Specialist, a Resettlement Specialist, a Contract Administration Specialist and a Financial Management Specialist. The PMU will be responsible for overall coordination, internal/external processing of all approvals including PC-I, procurement and implementation of civil works, procurement and management of consultant services, operating special account and financial management.

Project Engineer. A professional international consulting firm will be responsible for Contract Administration & Construction Supervision. The firm will be fully empowered as the 'Engineer' in accordance with International Federation of Consulting Engineers (FIDIC) stipulations. NHA will act as the Employer. The Member (Motorways North) shall be designated as the Employer's Representative. The Chief Resident Engineer will act as the Engineer's Representative. The Consultant will administer the civil work's contracts, make engineering decisions, be responsible for quality assurance, provide general guidance and furnish timely responses to the Contractors in all matters relating to the civil works, and ensure that all clauses of the Contract Agreement between the civil works Contractors' and NHA are respected. The Consultant will advise NHA on all matters relating to the efficient and successful execution of the civil works contracts, and will act at all times to protect the interests of the project and will take all reasonable steps to keep the construction costs to a minimum, consistent with sound economic and engineering practices; and will prepare a "Contract Administration and Construction Supervision Manual" outlining routines and standard operating procedures to be applied in contract administration and construction supervision, based on sound internationally recognized practice.

RAP Implementation and Monitoring. The Project Director (PD) will be responsible for the implementation of all RAP development tasks and cross-agency coordination, and shall be tasked with day-to-day RAP related activities. The PDs shall be assisted by a ‘Social Safeguards/Resettlement Specialist’ at PMU. Further details are provided later in the present document.

Environmental Management Plan (EMP) Implementation and Monitoring. EMP shall be made integral part of the civil works bidding and contract documents – the Contractor’s will be responsible for its implementation. The Construction Supervision Consultants will: (i) assure that the Contractors comply with all necessary requirements contained in the EMP; (ii) ensure that the day-to-day construction activities are carried out in an environmentally sound and sustainable manner; (iii) develop good practices construction guidelines to assist the Contractors in implementing the EMP; and (iv) prepare and submit regular environmental progress reports, inter alia including a contract-wise breakdown of non-compliances and rectification by the contractors and the monitoring results. In addition, Independent Environmental Monitoring Consultants will monitor the following environmental quality parameters at locations identified in the EMP: (i) ambient air quality; (ii) Ground and surface water quality; and (iii) noise levels. An Environmental Specialist in the PMU shall provide oversight.

2.5.2. Component-II – Economic Trade Corridor Development

Component II will be implemented by the FATA Secretariat and FDA. A Steering Committee comprising of the Additional Chief Secretary for FATA, the Director of Projects (FATA Secretariat), the Chief Executive of FDA and, to ensure full coordination with KP, the Secretary of the Planning and Development Department (P&DD) of the Government of Khyber Pakhtunkhwa (GoKP) will be part of the steering committee for ensuring effective implementation of the component.

There shall be a dedicated Project Implementation Unit (PIU) established within the FATA Secretariat in Peshawar, headed by the General Manager (Peshawar-Torkham Economic Corridor Project). Some procurement tasks shall be delegated to the Chief Engineer of FATA and to FDA. The PIU shall be adequately staffed with competent professionals. The staff will include an Environmental Specialist, a Resettlement Specialist, a Contract Administration Specialist and a Financial Management Specialist. The PIU will be responsible for overall coordination, internal/external processing of all approvals including PC-I, procurement and implementation of civil works, procurement and management of consultant services, operating special account and financial management.

Strategic Technical Assistance. The activity is expected to be implemented jointly by the FATA Secretariat and FDA in close coordination with the Planning and Development Department (P&DD) of GoKP with the support of competitively recruited specialized firms. To kick start the master-planning process, a firm was hired during project preparation to take stock of all on-going and planned investments along the economic corridor. The masterplans will rely on state-of-the-art geo-spatial mapping techniques (such as the ones being relied upon by the Punjab Urban Unit in the context of the development of the Punjab Spatial Strategy). The business environment reforms will leverage the experience accumulated in Punjab and Sindh (e.g. reforms to improve the Doing Business indicators).

Secondary Transport Infrastructure. The activity will be implemented by the Works and Services Department (W&SD) of the FATA Secretariat, under the leadership of the Chief Engineer. The implementation of this component is expected to require substantial

coordination with NHA and with relevant GoKP departments, including P&DD – as discussed above such coordination will have started in the context of the masterplan which will specify the secondary transport infrastructure to be financed under this project. As with Component-I, it is expected that a professional consulting firm will be responsible for contract administration and construction supervision. The firm will be fully empowered as the ‘Engineer’ in accordance with International Federation of Consulting Engineers (FIDIC) stipulations, with the FATA Secretariat designated as the Employer. The consultant will administer the civil work's contracts, make engineering decisions, be responsible for quality assurance, provide general guidance and furnish timely responses to the contractors in all matters relating to the civil works, and ensure that all clauses of the contract agreement between the civil works contractors' and the FATA Secretariat are respected. The consultant will advise the FATA Secretariat on all matters relating to the efficient and successful execution of the civil works contracts, and will act at all times to protect the interests of the project and will take all reasonable steps to keep the construction costs to a minimum, consistent with sound economic and engineering practices; and will prepare a "Contract Administration and Construction Supervision Manual" outlining routines and standard operating procedures to be applied in contract administration and construction supervision, based on sound internationally recognized practice. To the extent possible, construction and maintenance activities will be carried out by local firms as to help maximize the local economic impact of the project.

Upgrading of Industrial Zones. This activity is to be implemented by FDA, which supervises industrial zones in FATA. The upgrading of the industrial zones will be carried as a Public Private Partnership (PPP) involving the competitive selection of a firm specialized in the development and management of industrial zones. The winner of the competition will be the firm requesting the least amount of public funds to upgrade the zone up to predetermined specifications (to be established at the beginning of program implementation). A transaction adviser will be hired to design and oversee this competition.

Skills Development. This activity is also to be implemented by FDA, which is the lead agency promoting the development of technical skills in FATA. In particular, FDA is launching the development of the Common Facility Training Center (CFTC) at the Mohmand Marble City (MMC) industrial zone, support for which may be considered under this project. As for the industrial zones, a specialized firm will be competitively recruited to lead the development and management of the CFTC. FDA is also rolling out Skills Development Centers for Women across FATA. A firm may be competitively recruited to evaluate this program and recommend ways to upgrade and scale it up in partnership with the private sector.

2.6. Industrial Zones

The Mohmand Marble City (MMC), an industrial estate being developed by the GoP through the FATA Development Authority, and Bara Industrial Zones (BIZ) are some of the candidate entities for the interventions proposed under Component II of the Project. The key features of the MMC and BIZ are therefore described below; more information on the subprojects will need to be included in their respective RAPs, as described later in the Chapter.

2.6.1. Mohmand Marble City ⁸

Mohmand and Khyber agencies in FATA are the major zones where huge quantities of marble are extracted. These deposits have a great variety of colors and fabrics and thus have vast potential in local as well as international markets. It has been estimated that about 7000 million tons of good quality marble ranging from super white, silky and grey varieties exists in FATA. Currently more than 1.5 million tons of marble is excavated every year.

In order to process the available marble into products compatible in the international market, a Marble City is being set-up in Mohmand Agency in collaboration with Pakistan Stone Development Company (PASDEC). An area of 300 acres has been acquired for Mohmand Marble City (MMC). It is an industrial estate with tremendous investment and growth opportunities for the entrepreneurs through infrastructure availability. The Marble City will be equipped with a dedicated infrastructure, regular power and utilities availability within the same vicinity which will substantially reduce the cost of doing business besides having a continuity of flow in operations.

Following are salient objectives of MMC:

- Attract new business by providing an integrated infrastructure in one location;
- Provide a conducive environment for the Dimensional Stone Industry of Pakistan;
- Add value to the existing products, enhance exports and to attract local and international investment in the Dimensional Stone industry;
- Address the environmental and health hazards;
- Localized environmental controls that are specific to the needs of an industrial area;
- Process innovation according to international standards.

It is estimated that in addition to other economic benefits, the Marble City will generate more than 18,000 direct job opportunities in the area where unemployment is rampant.

Work on the MMC has been accelerated and most of its components are completed. Acquisition of 310 acres land, construction of 4.5 km access road and grid station has been completed. Component-wise updated status is given below.

Table 2.1: Work Status in MMC

Item	Cost (In million)	Status
Acquisition of land (338 acres)	119.000	Completed
Construction of access road from Michni (4.5 km)	58.750	Completed
Master Plan by National Industrial Park	12.000	Completed
Supply of power(132KV Grid Station)	390.350	Completed
Construction of Approach road from Ekkaghund to MMC (10kms)	197.719	90% completed
Construction of 9 No. Picquets (35*24.5 Sft)	151.686	93% completed
Construction of boundary wall (11400 Rft)	164.922	Completed

⁸ Source: Official website of FATA Secretariat: <http://fatada.gov.pk/project/marble-city-in-mohmand-agency/>.

Item	Cost (In million)	Status
Internal infrastructure development in Phase-1 (PASDEC)		
a) Road Works (3.9 kms)	41.851	100% completed
b) Sewerage Line (3900 ft)	36.87	90% completed
c) Structure Work (Overhead & Underground water tanks)	20.618	100% completed
d) Internal Electrification (6732 HT Line)	5.437	85% completed
e) Telephone Line (100 lines of wire)	7.127	100% completed
f) Drainage System (17682.40 Cft)	1.919	95% completed
g) Water Supply System (2950 ft pipes)	5.515	50% completed
h) Price Escalation	4.518	
Houses / Land acquisition proceedings completed and being paid		45 Houses
a) Boundary Wall (11300 Rft)	198.000	100% completed
b) 4.5 KM Road	157.765	50% completed

The MMC is being developed in three phases. The plotting in the first phase has been completed and 48 out of 295 plots have been allotted to the investors who have started construction on their plots. The second and third phases will be initiated soon. Plots are available in three sizes: one acre; half an acre; and quarter of an acre. The plots are sold in a transparent manner: an advertisement is given in the newspapers inviting applications and successful applicants are selected through a draw.

2.6.2. Bara Industrial Zone

Bara industrial area comprises of privately-owned industrial units established by local and other industrialists/investors without following any bylaws. The area houses a variety of small and larger industrial units including steel mills, furnaces, ice factories, poultry farms, plastic factories, power looms, marble units, and concrete block factories. In addition, several home-based units also exist in the area involved in manufacturing mostly handicrafts.

Currently only home-based units are in operation while as many as 2,000 larger units are shut-down because of the law and order situation. Now the FATA Development Authority is planning for the rehabilitation of Bara Industrial zone by providing following interventions:

- Power grid station with at least 22 hours per day of electricity for industrial units
- Roads for internal and external connectivity and to connect Bara industrial zone with Peshawar-Torkham Expressway
- Sewerage system for effective management of waste water
- Treatment plant for industrial waste water
- Expansion of Bara Industrial zone for new investors/industrialists

Major Constraints

- The area is facing problem of interrupted power supply, there is no separate power grid station for the zone and electricity is provided for only 4 to 6 hours in a day.
- Because of the law and order situation, non-locals are not coming to the area
- Unavailability of roads for internal and external connectivity makes the personnel and goods transportation very difficult.
- Industrial policy for FATA is still in approval process by government.

3. Review of Policy and Regulatory Frameworks

This Chapter provides an overview of the federal and provincial legislation and regulations as well as the related institutional frameworks relevant to resettlement impacts of the proposed project. Also discussed are the World Bank safeguard policies for involuntary resettlement.

3.1. National Constitutional, Policy, and Legislative Framework

Pakistan has in place a comprehensive constitutional, policy, and legislative framework for the protection of the people and their rights. This section is structured around the constitutional foundation and legislative hierarchy. An overview of relevant national policies is presented, followed by separate discussion of national and provincial legislation applicable to resettlement impacts, and supporting guidance documents. National and provincial regulatory authorities with mandate to oversee implementation of and compliance with, legislation related to resettlement planning are introduced at the end of the section.

3.1.1. Constitution

The constitution of the Islamic Republic of Pakistan ensures the ‘right to life’ and the ‘right to dignity’ under Articles 9 and 14 of the Constitution.⁹ In addition, the Constitution also supports the ‘promotion of social justice and eradication of social evils’ (paragraph 37) and requires that the state makes “provision for securing just and humane conditions of work, ensuring that children’s and women are not employed in vocations unsuited to their age or sex, and for maternity benefits for women in employment” (Paragraph 37(e)).

3.1.2. Social Policy Framework

The social policies guiding the legislative framework relevant to the resettlement issues in Pakistan are summarized in **Table 3.1**.

Table 3.1: National Policies Relevant to the Project

Policy	Content Summary	Relevance to the Proposed Project
National Conservation Strategy (1992)	<p>The Pakistan National Conservation Strategy (NCS) is the principal policy document for environmental issues in the country and was developed and approved by the Government of Pakistan on March 01, 1992. ^a</p> <p>The NCS deals with 14 core areas:</p> <ul style="list-style-type: none"> • Maintaining soils in cropland • Increasing irrigation efficiency • Protecting watersheds • Supporting forestry and plantations • Restoring rangelands and improving livestock 	This RPF considers resettlement impacts which are an integral part of social issues specified in this Strategy.

⁹ Government of Pakistan, 1973. The Constitution of the Islamic Republic of Pakistan. GoP 1973.

Policy	Content Summary	Relevance to the Proposed Project
	<ul style="list-style-type: none"> • Protecting water bodies and sustaining fisheries • Conserving biodiversity • Increasing energy efficiency • Developing and deploying material for renewable energy • Preventing/abating pollution • Managing urban wastes • Supporting institutions for common resources • Integrating population and environmental programs • Preserving cultural heritage. 	

^a Government of Pakistan, GoP, 1992, The Pakistan National Conservation Strategy -PNCS. IUCN, Karachi, 1992.

3.1.3. Legislation Relevant to Resettlement

Land Acquisition Act

The Land Acquisition Act (LAA) of 1894 provides for the acquisition of private properties for public purposes including development projects in Pakistan. It comprises 55 sections dealing with area notifications, survey, acquisition, compensation, apportionment awards, disputes resolutions, penalties and exemptions. The key clauses of the Act are summarized in **Table 3.2**.

Table 3.2: Key Clauses of Land Acquisition Act

LAA Section	Description
Section 4	Publication of preliminary notification and power for conducting survey.
Section 5	Formal notification of land needed for a public purpose. Section 5a covering the need for enquiry of the concerns or grievances of the affected people related to land prices.
Section 6	The Government makes a more formal declaration of intent to acquire land.
Section 7	The Land Commissioner shall direct the Land Acquisition Collector (LAC) to take order the acquisition of the land.
Section 8	The LAC has then to direct that the land acquired to be physically marked out, measured and planned.
Section 9	The LAC gives notice to all project-affected persons (PAPs) that the Government intends to take possession of the land and if they have any

LAA Section	Description
	claims for compensation then these claims are to be made to him at an appointed time.
Section 10	Delegates power to the LAC to record statements of the PAPs in the area of land to be acquired or any part thereof as co-proprietor, sub-proprietor, mortgage, and tenant or otherwise.
Section 11	Enables the Collector to make enquiries into the measurements, value and claim and then to issue the final "award". The award includes the land's marked area and the valuation of compensation.
Section 11 A (applicable in KP)	Enables the Collector to acquire land through private negotiations upon request of Head of the acquiring department. Upon receipt of any such request the collector is empowered to constitute/notify a committee for assessment of market value of land and verification of title of ownership. On agreement by Head of Acquiring Department, with negotiated market value determined by the committee, the collector shall then direct parties to execute sale deed in favor of acquiring department on stamp paper.
Section 11 B (applicable in KP)	Provides time limit of six months to complete land acquisition process from the date of notification under Section-4.
Section 16	When the LAC has made an award under Section 11, he will then take possession and the land shall thereupon vest absolutely in the Government, free from all encumbrances.
Section 18	In case of dissatisfaction with the award, PAPs may request the LAC to refer the case onward to the court for a decision. This does not affect the Government taking possession of land.
Section 23	The award of compensation to the title holders for acquired land is determined at i) its market value of land, ii) loss of standing crops, trees and structures, iii) any damage sustained at the time of possession, iv) injurious affect to other property (moveable or immoveable) or his earnings, v) expanses incidental to compelled relocation of the residence or business and vi diminution of the profits between the time of publication of Section 6 and the time of taking possession plus 15% premium in view of the compulsory nature of the acquisition for public purposes.
Section 28	Relates to the determination of compensation values and interest premium for land acquisition.
Section 31	Section 31 provides that the LAC can, instead of awarding cash compensation in respect of any land, make any arrangement with a person having an interest in such land, including the grant of other lands in exchange.
Section 48A (LAA-1986)	If within a period of one year from the date of publication of declaration under section 6 in respect of any land, the Collector has not made an award under section 11 in respect to such land, the owner of the land shall, unless

LAA Section	Description
	he has been to a material extent responsible for the delay be entitled to receive compensation for the damage suffered by him in consequence of the delay.

This Act is applicable to subprojects that would be located in KP province. For subprojects located in FATA, this Act is not applicable.

Legislation in FATA

Under Article 1 of the Constitution of Pakistan, the federally administered tribal areas are part of Pakistan and the fundamental rights provided therein are applicable to FATA.¹⁰ However, through Article 247, no Act of Parliament applies to FATA, unless the President of Pakistan consents as only he is authorized to amend laws and promulgate ordinances for the tribal areas; and the superior courts (High Courts and Supreme Court) have been barred from exercising jurisdiction in FATA.

The GoP has been extending a large number of federal and provincial laws from time to time; the complete list is available on the FATA official website.¹¹ With respect to the environmental and social aspects, the Environmental Protection Act of 1997 has been extended to FATA; however the Land Acquisition Act of 1894 has not been extended to the tribal areas.

On 27 August 2011, the President of Pakistan amended the Frontier Crimes Regulation (1901) through an Executive Order and added clause 56, which rules that now “no person shall be compulsorily deprived of his property unless he is paid adequate compensation with consensus rate or Government assessed value as in vogue in settled areas”.¹² This means that land and easement can be expropriated in the FATA as long as compensation is paid.

Until recently, none of the formal laws applicable to the FATA contained any provision for expropriation of land. In FATA, under customary law, the tribes are the rightful owners of all lands and nobody has the right to take or use any of this land without the consent of the tribe owning this land. In practice, this means that administrative developers (road department, department of education, etc.) task the Political Agent to negotiate with the *maliks* (tribal elder, leader) of the affected tribes to a settlement. Usually, a committee comprising the relevant tehsildar, *maliks* and village elders is then tasked to negotiate compensation rates for each of these entitlements.

After an agreement is reached, the Political Agent is then tasked to disburse all entitlements in cash to the *maliks*, who is then in charge of distributing it to the affected sub-tribes and households. As this general provision commonly created issues, projects financed by international financing institutions usually charge the Political Agents to disburse compensation for farmland and houses and allowance to each of the affected households and only disburse the remaining compensation for grazing and barren land as well as community infrastructure to the *maliks*.

¹⁰ The Government of Pakistan, 1973. The Constitution of The Islamic Republic of Pakistan; 12 April 1973.

¹¹ <https://fata.gov.pk/Global.php?iId=439&fId=2&pId=355&mId=230>.

¹² Government of Pakistan, 2011. The Frontier Crimes (Amendment) Regulation, 2011. GoP 2011.

Katchi Abadis Act

The Katchi Abadis¹³ Act 1987 covers the urban squatters' rehabilitation rights by providing plots in public resettlement areas or cash assistance. Based on the Katchi Abadis Act (KAA), the project will provide rehabilitation compensation to eventual squatters/encroachers affected by the project.

3.2. Government Departments relevant to Resettlement Issues

The key relevant departments and their roles are summarized below.

Revenue Department

Revenue department is responsible for the acquisition of land (permanent or temporary) including assessment, valuation, disbursement of compensation, and mutation in favor of the project

Fisheries

The Fisheries Department will be involved in case of any damage to any fish resources and fish ponds caused by the project activities.

Agriculture Department

In case of impact on crops and fruit trees, the Agriculture Department is fully responsible for the assessment and valuation of losses.

Communication & Works (C&W) Department

The C&W Department will be involved for the assessment and valuation of losses in case of project impact on structures/ buildings and roads.

Office of the Political Agent

Since some parts of the project area fall in FATA, the office of the Political Agent will be involved for assessment and valuation of land to be acquired and or losses incurred to structures, buildings, roads, crops, and other assets.

The FATA region is administered by Political Agents (PAs). Each agency's PA is assisted by a number of assistant political agents, tehsildars (administrative head of a *tehsil* – subdivision of an Agency) and *naib tehsildars* (deputy *tehsildar*), as well as members from various local police (*khassadars*) and security forces (levies, scouts). As part of administrative functions, the political agent oversees the working of line departments and service providers. The PA is responsible for handling inter-tribal disputes over boundaries or the use of natural resources, and for regulating the trade in natural resources with other agencies or the settled areas.

The political agent plays a supervisory role for development projects and chairs an agency development sub-committee, comprising various government officials, to recommend proposals and approve development projects. He also serves as project coordinator for rural development schemes.

¹³ Katchi abaadi: squatters' settlement.

3.3. World Bank Safeguard Policies

The project proponents seeking financing from the World Bank are required to comply with the applicable environmental and social safeguard policies. A summary of the key objectives of the relevant safeguards policies considered for the Project is provided in below.

OP 4.12 - Involuntary Resettlement

This OP establishes requirements of the World Bank for managing involuntary resettlement. Involuntary resettlement should be avoided where possible. Where the acquisition of land or other assets is necessary, the Policy sets out requirements for participation in resettlement planning, mandates compensation for assets at replacement cost, and expects to see that incomes and standards of living of affected persons are improved or at least restored to what they were prior to displacement.

World Bank's Policy deals with the issues and concerns relating to involuntary resettlement due to the development projects and provides principles and guidelines to mitigate the adverse impacts on the local community, particularly their relocation/ displacement. The Bank's experience indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. This policy includes safeguards to address and mitigate these impoverishment risks. The policy provides basis for the development/ preparation of Resettlement Policy Framework and Resettlement Plan.

The main objectives of Bank's safeguard policies are to:

- Reduce and manage adverse risks of the development projects
- Identify opportunities for promoting social benefits
- Provide a process for full disclosure and meaningful stakeholders consultation
- Ensure that social risks are systematically addressed, evaluated, and incorporated.

The present RPF has been prepared in accordance with this Policy. The activities under Component II of the project may potentially result in resettlement impacts including land acquisition and damage to assets such as crops and structures; hence this OP is triggered. Since the location of subprojects under this Component is not known at this stage, hence the present RPF has been prepared under the provision of this OP.

WB Policy on Access to Information

The World Bank Policy on Access to Information (AI Policy) sets out the institution's policy on public access to information in the Bank's possession. This Policy supersedes the World Bank Policy on Disclosure of Information, and takes effect on July 1, 2010. The World Bank recognizes that transparency and accountability are of fundamental importance to the development process and to achieving its mission to alleviate poverty. Transparency is essential to building and maintaining public dialogue and increasing public awareness about the Bank's development role and mission. It is also critical for enhancing good governance, accountability, and development effectiveness. Openness promotes

engagement with stakeholders, which, in turn, improves the design and implementation of projects and policies, and strengthens development outcomes. The AI Policy facilitates public oversight of Bank-supported operations during their preparation and implementation, which not only assists in exposing potential wrongdoing and corruption, but also enhances the possibility that problems will be identified and addressed early.

In response to these requirements, the present RPF will be disclosed internationally as well as locally.

3.4. Compliance Status with Country Laws and World Bank Policies

The compliance status of the project with the Country's laws/ legislation and World Bank safeguard policies is summarized in **Table 3.3**.

Table 3.3: Compliance of GoP Legislation and World Bank IR Policies

Institution	Legislation / Policy	Actions Taken to Comply
Government of Pakistan	Land Acquisition Resettlement	The present RPF has been prepared as the project may involve acquisition of private land, loss of crops, trees and some structures/ community structures. The compensation will be paid to the eligible/ entitled project-affected persons both titled and non-titled holders for their affected assets.
	Information Disclosure	The RPF will be disclosed on Government of Khyber Pakhtunkhwa (GoKP) and FATA Secretariat websites. Public consultations will be held to disclose the project information to the PAPs/ local community.
World Bank	Involuntary resettlement	The present RPF has been prepared as the project may involve acquisition of private land, loss of crops, trees and some structures/ community structures. The compensation will be paid to the eligible/ entitled project-affected persons both titled and non-titled holders for their affected assets. Once subprojects under Component II are identified, RAPs will be prepared under the provision of this RPF and World Bank OP 4.12.
	Participatory approach	While preparing this RPF, some initial consultation meetings were held with the communities. Further consultations will be carried out once the subproject-specific RAPs are prepared.
	Access to Information	Final RPF will be disclosed in official websites of GoKP and FATA Secretariat. A copy of RPF will also be sent to World Bank Info Shop.

3.5. Gap Analysis between Land Acquisition Act, FCR and World Bank Policies

As discussed in Section 3.1.3, the LAA of 1894 is the national legislation applicable for land expropriation in KP province, whereas OP 4.12 provides the WB's policy principles and requirements relating to involuntary resettlement. Land acquisition in FATA will be carried out in accordance with the FCR under which negotiated settlement of compensation between the office of the PA and relevant *maliks* is the current practice to address resettlement impacts of any government project in FATA. A comparison of land acquisition under Pakistan's FCR 1901 applicable in FATA and the World Bank OP 4.12 on Involuntary Resettlement shows that major differences exist between the two instruments.

In Table 3.4, an attempt has been made to compare the LAA 1894 and OP 4.12 and Table 3.5 provides a comparison between the FCR and OP 4.12, the objective being to identify if and where the three sets of procedures are in conformity with each other and more importantly how to address the differences and gaps.

Table 3.4: Comparison between National Resettlement Legislation/Practice and WB Policy Requirements

	World Bank Involuntary Resettlement Policy Principles	LAA 1894	Approaches to Address the Gaps for Proposed Project
1	Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.	No equivalent requirements (though the Pakistan Environmental Protection Act (PEPA) 1997 does require screening of social impacts that also include resettlement impacts)	Screening initiated as part of the present RPF; to be continued during the RAP preparation for subprojects.
2	Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all persons to be displaced of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of settlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and	No equivalent requirements other than consultations being a key requirement of PEPA 1997 and negotiated agreement for compensation as the prevailing practice in FATA. Land Acquisition Collector is the final authority to decide disputes and address complaints regarding	Consultations initiated during the preparation of present RPF; additional consultations will be carried out during the preparation and implementation of subproject-specific RAPs. Grievance Redress Mechanism (GRM) included in the present RPF; will be further elaborated in RAPs.

	World Bank Involuntary Resettlement Policy Principles	LAA 1894	Approaches to Address the Gaps for Proposed Project
	facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.	quantification and assessment of compensation for the affected lands and other assets.	Resettlement planning will address the need of vulnerable groups. A separate Social Management Framework is also being prepared to address some of these requirements.
3	Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods; (ii) prompt replacement of assets with access to assets of equal or higher value; (iii) prompt compensation at full replacement cost for assets that cannot be restored; and (iv) additional revenues and services through benefit sharing schemes where possible.	No equivalent requirements.	The present RPF and subproject-specific RAPs will address these requirements.
4	Provide physically and economically displaced persons with needed support	No equivalent requirements.	The present RPF and subproject-specific RAPs will address these requirements.
5	Resettlement assistance and compensation for the loss of land or assets	The LAA recognizes only the title holder for eligibility for compensation.	Resettlement assistance will be paid to the PAPs even without having legal title of the land to be affected.
6	Crop losses compensation provided to landowners and share-crop/lease tenants whether registered or not.	Crop losses compensation provided only to registered landowners and share-crop/lease tenants	Compensation for crop losses will be provided to landowners and share-crop/lease tenants whether registered or not.
7	Disclosure requirements	Partially covered. The decisions regarding land acquisition and compensations to be paid are published in the official Gazette and notified in convenient places	Information related to quantification and costing of land, structures and other assets, entitlements, and amounts of compensation and financial assistance are to be disclosed to

	World Bank Involuntary Resettlement Policy Principles	LAA 1894	Approaches to Address the Gaps for Proposed Project
		so that the people affected are aware.	the affected persons prior to taking possession of their assets. The present RPF and subsequent RAPs will be disclosed locally as well as internationally.

A comparison of the FCR 1901, which is the legal and regulatory system for land acquisition and resettlement under the project, and World Bank's OP 4.12 is presented in **Table 3.5** below. The Table presents the gaps between the two systems and proposes measures to bridge such gaps.

Table 3.5: Comparison of FCR) 1901 and World Bank's OP 4.12

Key Features	FCR 1901 Amended 2011	World Bank, OP 4.12	Measures Proposed to Bridge the Gaps
Involuntary Land Acquisition & Resettlement (LAR)	Governed through negotiated settlement based on consensus rates.	Eminent domain is recognized while negotiated land acquisition is encouraged subject to social safeguards provisions.	Provide compensation of lost assets through negotiation to assure the maintenance of pre-project living standards of the PAPs
LAR Planning	No requirement of RAP	Preparation of draft and final RAP	LAR Planning and preparation of the RAP
Loss of means of livelihood is to be avoided or minimized.	Not specified	Adverse impacts on PAPs would be avoided or minimized to the possible extent.	Explore alternatives to minimize social impacts to the extent possible.
Assessment of social impacts	No requirement in FCR	Census, socio-economic survey, detailed measurement survey and valuation of lost assets to be conducted.	Carry out a comprehensive assessment of social impacts.
Consultation information and participation of PAPs	The consultation about land acquisition and compensation rates are carried out with Jirga	Meaningful consultation, timely disclosure of relevant information and participation in LAR planning.	Consult key stakeholders and PAPs, including women and vulnerable groups, during planning and implementation of the project.
Replacement of lost assets	Compensation of lost assets through consensus based negotiation with Jirga	Prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project	Provide full replacement cost at fair market value or as per negotiation rate with Jirga.

Key Features	FCR 1901 Amended 2011	World Bank, OP 4.12	Measures Proposed to Bridge the Gaps
Rehabilitation and Income Restoration	Not covered under FCR	OP 4.12 distinguishes between compensation for expropriated assets and rehabilitation measures to restore, incomes or standards of living	Income restoration and rehabilitation measures to be proposed in RAPs to restore or improve standard of living at pre-project level.
Disclosure of RAP	No requirement as such.	Disclosure of draft & final RAP to PAPs and on World Bank Website	RAPs to be disclosed
Grievance redress	All disputes including land are settled as per local customs by the PA through involvement of local Jirga	Establish GRM scaled to risks and impacts of project at project and field levels.	A tiered project specific GRM is proposed involving PIU, political administration and Jirga,
Cut-off date	No specific requirement under FCR; however, with initiation of consultation affected properties and communities are listed for eligibility purposes.	Eligibility for entitlements under World Bank's IR requirements is limited by a cut-off date, determined at the time census is conducted.	Cut-off date to be established as the last day of the Census Survey.
Eligible PAPs	All PAPs occupying land before project are eligible to the extent of usufruct right as per local customs.	All physically and economically displaced persons, including titled and non-titled are eligible for compensation as specified in the Entitlement Matrix.	RAP to contain eligibility and entitlements for PAPs.
Compensation of structures	The valuation of structures is based on consensus rates negotiated through Jirga.	Replacement of structures or cash compensation at replacement value, salvage material allowed without deduction for all PAPs, titled and non-titled.	Cash compensation at the replacement value to be computed and included in the resettlement budget.
Community and public resources	Damages done to land and structures are to be paid to enable rehabilitation.	Restoration/provision of civic infrastructure and community services.	Provide pre-project level. restoration or compensation
Income restoration and livelihood support	Only compensation for lost assets with no resettlement allowances and/or any income restoration support.	Enhance, or at least restore, PAPs' livelihoods by providing livelihood restoration measures and other benefits.	Measures for livelihood restoration to be included in the RAP.

Key Features	FCR 1901 Amended 2011	World Bank, OP 4.12	Measures Proposed to Bridge the Gaps
Relocation assistance	No provision in FCR	Secure tenure, better housing, transitional support, infrastructure and services.	Relocation, transition, or rehabilitation allowances to be provided as contributing to replacement cost.
Notification of displacement	FCR protects the property rights and requires compensation before depriving the affected person of his assets	No physical or economic displacement before compensation has been paid, other entitlements have been provided and income and livelihood program is in place.	There will be no physical or economic displacement before compensation/ entitlements provided.
Vulnerable People/groups	There is no provisions for either acknowledgement of or compensation to vulnerable groups	OP 4.12 requires providing particular attention and consideration to the needs of vulnerable people among those displaced.	Measures to be proposed for vulnerable groups (women, widows, elderly, disabled, children)
Monitoring and evaluation	No requirement under FCR	Monitoring and assessment of IR outcomes; disclosure of monitoring reports.	Both internal and external monitoring and post-project evaluation to be proposed in RAPs

4. Socioeconomic Characteristics of the Project Area

This Chapter provides some salient information on the project area in general. Since the project activities under Component II will focus on areas around Peshawar and in Khyber Agency, the description here also pertains to these areas. More detailed and subproject-specific baseline description including an estimated number of PAPs and their categories could not be determined at this stage since subprojects and their locations have not been identified yet. These details will be provided in the subproject-specific safeguard documents including RAPs.

4.1. Overview of Peshawar Valley ¹⁴

The Peshawar Valley lies between the Khyber Pass and the Indus River, in Khyber Pakhtunkhwa province (formerly, North West Frontier Province or NWFP) of Pakistan (see **Figure 4.1** for a map of KP and FATA). The area is girdled on all sides except its eastern perimeter by a rim of rugged and barren hills. At the western end of the valley in the shadow of the highest visible peaks and thirty miles from the border of Afghanistan, the ancient town of Peshawar is situated, from which the Valley derives its name. Once the western terminus of India's Grand Trunk Road, it is now better known to the world as the eastern terminus of the Afghanistan-Pakistan trade route through the Khyber Pass.

The large basin drains into the Kabul River, which rises in Afghanistan, cuts through the intervening mountain range several miles north of the Khyber Pass, and flows straight eastward through the center of the valley, collecting the waters of a fan shaped system of perpetual and intermittent streams before it empties into the Indus near Attock. From the mountains to the Indus River is a distance of about fifty miles.

The center of valley is a broad plain, generally level but with occasional rises and rocky protuberances. Swampy areas still exist along the Kabul River, but there are no true lakes and springs are rare, occurring mainly in the foothills. Most of the scanty rain falls in the autumn and in sporadic bursts through the winter months. Autumn, winter and spring seasons are relatively mild and humid. The summer is extremely hot and dry and rain is rare. The ground and the air are scorched and some of the perpetual rivers dry up to a trickle. Temperature sometimes reaches 120 degrees Fahrenheit (about 50 degrees centigrade) for long periods. Regular afternoon windstorms burst across the plain in May and June. The worst onset of heat is a mass of hot air which moves through the valley, day and night without ceasing for as long as a week. As a result, the Valley has pronounced alternation of winter and summer climate.

While the valley supports a wide range of flora and fauna, of both temperate and tropical kinds, it does not do so with any abundance. Orchards, date groves, and green fields are found growing where men water and tend them, but otherwise there is little natural cover except along the banks of the water streams.

Human adaptation to the Peshawar Valley follows the same general patterns found in northern Indo-Pakistan Subcontinent. Subsistence agriculture forms the base, with wheat, barley, millet, corn, cotton, peppers and sugarcane being the primary crops. The annual cycle is divided into two planting and harvesting periods, one for wheat and barley in

¹⁴ Source: Official website of GoKP: http://kp.gov.pk/page/peshawar_1.

winter and another for corn in summer. Planting and harvesting of sugarcane overlaps both the periods. These crops are supplemented with a variety of vegetables, and with clover which is used in conjunction with millet as a fodder. In many villages there are extensive pear, peach and apricot orchards, and grape vineyards. Tobacco is also an important crop near the town of Nowshera. Wheat, cotton, chilies, tobacco and sugarcane are grown for the markets as well as for local consumption.



Figure 4.1: Map of KP and FATA

Most cultivation is performed by means of crude animal-drawn ploughs and hand tools made of wood and iron. Some modern tractor-drawn equipment is in use on the estates of the big land owners. Animal manure is important as a fertilizer, while recently considerable interest has been shown in the use of chemical fertilizers.

Domestic animals are an important part of the agriculture. Small humped cattle and buffaloes are of primary importance, since they pull ploughs and carts, turn small cane-

crushing mills and provide much-needed manure for fertilizer and fuel. Buffaloes and donkeys serve as beasts of burden. Goats, fat-tailed sheep, and fowl are raised for food. Horses are used only for pulling carriages and are therefore, associated primarily with transportation rather than agriculture. All animals are bred in the villages. The larger animals are either stall-fed or fed with cut fodder in vacant fields of the village. Goats and sheep are grazed on stubble or in marginal area between the cultivated areas. Hunting, fishing and the collecting of wild honey are popular pastimes, but are otherwise not seriously pursued for a living.

The pronounced winter - summer alternation in the climate of this region has a visible effect on the agricultural life of the valley. The mild, humid winter is a period of maximum activity, both in the irrigation and cultivation of fields, and in the supplementary tasks of repair of canals and processing of cane and grain. The summer is a period of relative inactivity, cultivators doing a minimum of work in the fields and on the irrigation system. The most significant problem in Valley is the water supply.

In the absence of sufficient rain, dry farming has been supplemented by irrigation. An ancient system of channels, farming out from the few perpetual streams, has been overlaid during the British by a public system of concrete barrages and arterial canals, from which both publicly and privately constructed channels lead off. Since these government canals are located in the northern half of the valley, sugarcane cultivation is restricted almost entirely to this area. The southern half of the valley has, until recently, received little attention and remains dependent on the old channels and on sporadic rains, as a result of which it is extremely barren over wide areas. After the establishment of Pakistan, the Government attempted to develop the water system in the southern half by construction of a barrage on the Kabul River at Warsak.

The extent of water problem can be seen not only in the elaboration of the irrigation system, but also in the supplementary techniques for controlling and utilizing water. The Peshawar valley is a living museum of water-controlling devices. The Persian wheel is used extensively in the north-eastern quarter of the Valley. The paddle wheel, which is powered by water and simultaneously lifts water in container attached to the blades, is popular where the land is higher than canal. In some of the villages, in the south-western quarter, one can see local version of the Iranian quant, or underground water channel. Those who can afford it are also experimenting with modern pumping devices.

Human settlement in the valley is oriented primarily to the agricultural patterns of life and to the water supply. Hundreds of villages and hamlets are scattered throughout the valley. In the well-irrigated northern half of the Valley, these are dispersed along the vast network of primary and subsidiary channel. In the Southern half of the Valley, which is poorly irrigated, the settlements tend to cluster along the few perpetual rivers and streams.

The typical village is compact, irregular cluster of buildings and walls, with narrow streets and no central square or meeting place. Most buildings are one-storied and made of mud, sun-dried bricks and timber. The village is divided into wards, which are not always physically discrete, but which are never the less socially distinct. In the most cases the wards are actually separated by alleys or short stretches of open land. The average village includes about eight hundred peoples. A few large villages have between four and six thousand peoples.

The villages are situated close to the cultivation lands which are patchwork of small, irregular plots separated by ridges and interspersed with water channels, cart roads and foot

paths. The lands of one village are generally continues with those of several others, and in many cases the boundary is formed by a jointly-used water channels.

The situation in the surrounding hill areas is somewhat different, owing to both geographical and social factor. Settlements are restricted largely to narrow mountain streams. As a result, the tribal village appears as a series of small walled compounds strung out along the streams.

Interwoven with the agriculture life of the valley is an ancient pattern of industry and trade, in which the village is relatively self-sufficient but still intimately connected with the town, and the town is intern both dependent on the village and on far-flung trade relation with Afghanistan, Central Asia and other parts of the Country. In the villages are found carpenters, blacksmith, weavers, potters, barbers, priest, school teachers, midwives and various other specialists who provide most of the basic goods and services required in a village subsistence economy.

These are four main towns in Peshawar Valley: Peshawar, Mardan, Nowshetra and Charsadda. All except the last actually consist of two distinct parts- the city which is the old native bazar town, and the Cantonment which is recent adjunct consisting of a military post with government offices. Each of these serves its separate function. Peshawar is probably the most colorful and romantic of these frontier towns.

4.2. FATA Region¹⁵

4.2.1. Historical Background

The areas that today make up FATA were once part of the battleground, on which the great game of imperial domination was played in the 19th century. For the British colonial administrators of India, effective control of the region was important for the defense of their Indian possessions, serving as a safeguard against Russian expansionism in Central Asia. It proved difficult, however, for the colonial government to establish its writ in the tribal areas.

Colonial administrators oversaw but never fully controlled the region, through a combination of British-appointed agents and local tribal elders. The tribal people were free to govern internal affairs according to their tribal codes, while the colonial administration held authority over all matters related to the security of British India in the administered areas.

Although, various tribes cooperated with the British in return for financial incentives, this arrangement was never completely successful. Throughout the latter half of the 19th century, British troops were involved in repeated battles with various tribes in the area. Between 1871 and 1876, the colonial administration imposed a series of laws, such as the Frontier Crimes Regulations (FCR). These regulations prescribed special procedures for the tribal areas, distinct from the criminal and civil laws that were in force elsewhere in British India. These regulations, based on the idea of ‘collective territorial responsibility’, provided for dispute resolution to take place through a *jirga* (council of elders). However, this arrangement also proved to be ineffective to control the region.

The British in 1901 issued a new ‘Frontier Crimes Regulation’ that expanded the scope of earlier regulations and awarded wide powers, including judicial authority to administrative

¹⁵ Source: Official website of FATA: <https://fata.gov.pk/Global.php?iId=28&fId=2&pId=23&mId=13>.

officials. In the same year, a new administrative unit, then North-West Frontier Province was created by carving out parts of then Punjab province and adding certain tribal territories to it. The province, as it was constituted at the time, included five settled districts (Bannu, Dera Ismail Khan, Hazara, Kohat and Peshawar), and five tribal agencies (Dir-Swat-Chitral, Khyber, Kurram, North Waziristan and South Waziristan), and was placed under the administrative authority of a chief commissioner reporting to the Governor General of India (Hunter et al., 1840-1900).

The institution of the Political Agent was created at this time. Each agency was administered by a Political Agent who was vested with wide powers and provided funds to secure the loyalties of influential elements in the area. It was also during this period that the Maliki system was developed, to allow the colonial administration to exercise control over the tribes. Under this system, local chiefs (*maliks*) were designated as intermediaries between the members of individual tribes and the colonial authorities, and also assisted in the implementation of government policies.

Despite these efforts, supported by repeated military campaigns, the colonial administration retained, what was at best, a weak hold on the area until the British quit India in 1947. Soon after Independence, the various tribes in the region entered into an agreement with the Government of Pakistan, pledging allegiance to the newly created state. Some 30 instruments of agreement were subsequently signed, strengthening this arrangement. Mohmand Agency was included in FATA in 1951, and Bajaur and Orakzai in 1973.

The agreement, signed at the time of independence, did not include political autonomy of the tribes. The instruments of agreement, signed in 1948, granted the tribal areas a special administrative status. Except where strategic considerations dictated, the tribal areas were allowed to retain their semi-autonomous status, exercising administrative authority based on tribal codes and traditional institutions. This unique system was crystallized in Pakistan's Constitution of 1973.

4.2.2. Administrative System

Constitutional Status of FATA. Under the Constitution, FATA is included among the territories of Pakistan (Article 1). It is represented in the National Assembly and the Senate but remains under the direct executive authority of the President (Articles 51, 59 and 247). Laws framed by the National Assembly do not apply here, unless ordered by the President, who is also empowered to issue regulations for the peace and good government of the tribal areas. Today, FATA continues to be governed primarily through the Frontier Crimes Regulation 1901. It is administered by the Governor of the Khyber Pakhtunkhwa (KP) in his capacity as an agent to the President of Pakistan, under the overall supervision of the Ministry of States and Frontier Regions in Islamabad.

FATA Secretariat. Until 2002, decisions related to development planning in tribal areas were taken by the FATA section of the KP Planning and Development Department, and implemented by KP Government line departments. In that year, the FATA Secretariat was set up, headed by the Secretary FATA. Four years later, in 2006, the Civil Secretariat of FATA was established to take over decision-making functions, with an Additional Chief Secretary, four secretaries and a number of directors. Project implementation is now carried out by line departments of the Civil Secretariat FATA. The KP Governor's Secretariat plays a coordinating role between the Federal and Provincial Governments and the Civil Secretariat, FATA.

The Role of Political Agents. Each tribal agency is administered by a Political Agent (PA), assisted by a number of Assistant Political Agents (APAs), Tehsildars (administrative head of a tehsil) and Naib Tehsildars (deputy tehsildar), as well as members from various local police (*khassadars*) and security forces (levies, scouts). As part of his administrative functions, the Political Agent oversees the working of line departments and service providers. He is responsible for handling inter-tribal disputes over boundaries or use of natural resources, and for regulating trade in natural resources with other agencies or settled areas.

The Political Agent plays a supervisory role for development projects and chairs an agency development sub-committee, comprising of various government officials, to recommend proposals and approve development projects. He also serves as project coordinator for rural development schemes. A Frontier Region (FR) is administered by a Deputy Commissioner of the respective settled district, who exercises the same powers in the FR, as the Political Agent does in a tribal agency.

The tribes regulate their own affairs in accordance with customary rules and unwritten codes, characterized by collective responsibility for the actions of individual tribesman and territorial responsibility for the area under their control. The government functions through local-level tribal intermediaries i.e. Maliks (representatives of the tribes) and Lungi-holders (representatives of sub-tribes or clans), who are influential members of their respective clan or tribe.

The Judicial System. The people of FATA elect members to the federal legislature. The system of devolution introduced elsewhere in the country in 2001 by means of Provincial Local Government Ordinances (LGOs) has not been extended to the tribal areas. A separate LGO for FATA has been drafted and is awaiting declaration. A system of municipal committees exists in Parachinar and Satta (in Kurram Agency) and Miranshah (North Waziristan Agency), which are providing civic services.

All civil and criminal cases in FATA are decided under the Frontier Crimes Regulation 1901 by a *jirga* (council of elders). Residents of tribal areas may, however, approach the courts (Supreme Court of Pakistan and Peshawar High Court) with a constitutional writ challenging a decision issued under the 1901 Regulation. FATA is divided into two administrative categories: protected areas are regions under the direct control of the government, while non-protected areas are administered indirectly through local tribes.

In protected areas, criminal and civil cases are decided by political officers vested with judicial powers. After completing the necessary inquiries and investigations, a *jirga* is constituted with the consent of the disputing parties. The case is then referred to the *Jirga* who issues a verdict, which is examined by the Political Agent. This decision can be appealed against to the High Court and Supreme Court. Once appeals are exhausted, execution of the verdict is the responsibility of the political administration.

In non-protected areas, cases are resolved through a local *jirga* at the agency level. Local mediators first intervene to achieve a truce (*tiga*) between parties in a criminal case, or to obtain security (*muchalga*) in cash or kind for civil disputes. Thereafter, parties must arrive at a consensus concerning the mode of settlement (arbitration), *riwaj* (customary law) or *Shariah* (Islamic law). Once the mode of settlement is agreed upon, mediators arrange for the selection of a *jirga*, with the consent of the parties to the case.

While most disputes are settled internally, more serious matters may require the calling of a larger *jirga* made up of maliks, elders and the Political Agent, members of the National

Assembly and Senate, and occasionally even representatives from neighboring agencies or FRs.

4.2.3. Security Situation in FATA

In recent years, the FATA and KP regions have experienced significant militancy crises, fueled in part by years of regional instability and more recently by the US invasion of Afghanistan, and underpinned by decades of poor governance. In early 2009, the Government launched major security operations to root out pockets of militants, and a second security operation was launched in 2014 in five FATA Agencies. Significant damage to physical infrastructure and services led to a large number of Temporarily Displaced Persons (TDPs) losing their homes and livelihoods - approximately 3 million people were displaced. The militancy crisis affected not only TDPs but also those who stayed behind, some of whom being just as poor and vulnerable as the TDPs. The majority of TDPs from the 2009 militancy crisis have gone back to their original locations. In spite of the militancy and frequent military operations, the security situation has improved significantly but continued vigilance is required.¹⁶

A significant weakness of the Jirga system is that women are excluded from it. It is a purely male institution which neither sanctions women as members nor as witnesses or as complainants. Women may access a Jirga only through a male relative, i.e. if a woman is accused of a crime, her male advisors may present her point of view.¹⁷ However, with respect to disputes against male relatives within the family, she can personally present her case. Exact nature of female involvement varies by tribe.

4.2.4. Land Use

Land use data from 2008-09 shows that 8 percent of the total geographic area of FATA is cultivated, while more than 86 percent of the land is not available for cultivation primarily because of the hilly terrain and scarcity of water. This puts intense pressure on available farmland, which supports an average of 18 persons per cultivated hectare, and more than 40 persons per irrigated hectare. Some 39 percent of farmland is under irrigation, with the remaining cultivated area relies entirely on rainfall.

Table 4.1: Land Use (Development Brief of FATA, 2008-09 – BOS, FATA)

	Hectares
Reported Area	2722,000
Cultivated Area	220,900
Culturable Waste	169,600
Culturable Area	390,500
Irrigated Area	86,000
Forest Area	49,000

¹⁶ Information adapted from Post Crisis Needs Assessment Khyber Pakhtunkhwa and Federally Administered Tribal Areas, September 2010, MDTF. Project Appraisal Document, Fata Temporarily Displaced Persons Emergency Recovery Project, August 2015, World Bank.

¹⁷ Excerpts from National Commission on the Status of Women (NCSW), 2016. Women, Violence and Jirgas. Islamabad, Pakistan.

4.2.5. Tribal System

Tribes. FATA is characterized by a very strong tribal structure and very rich ethnic diversity and cultural heritage. There are about a dozen major tribes with several smaller tribes and sub-tribes. Utmankhel, Mohmand, Tarkani and Safi are the major tribes living in Bajaur and Mohmand agencies. Afridi, Shilmani, Shinwari, Mulagori Orakzai are settled in Khyber and Orakzai agencies, while the FRs of Peshawar and Kohat are occupied by Afridis. Moreover, Turi, Bangash, and Masozai inhabit Kurram Agency. The major tribes of North and South Waziristan are Darwesh Khel Wazirs, with Mahsuds living in the central part of the region. Other tribes of the region include; Utmanzai, Ahmadzai Dawar, Saidgai, Kharasin and Gurbaz. The Bhattani tribe occupies FR Lakki and Tank, while, the Wazirs belong to FR Bannu. Lastly, the Ustrana and Shirani tribes live in FR DI Khan.

Maliki System. Pukhtoon (or Pashtoon) society is composed of different tribes. These tribes are led by their respective leaders in their affairs. These tribal leaders are usually known as Maliks. The mechanism was adapted by the British through which their recognized Maliks represented the common tribal people, and this system came to be known as Maliki system. The Maliki system in tribal areas was started in 1890 by the British officer Robert Bruce. The idea behind this was to govern the local people indirectly through their own leaders. Their duty was to identify those who were causing disorder, and at that time they were given monetary benefits known as Lungi. There were also stipends for common people known as moajab. The Maliki is hereditary and it goes to son after the death of his father. The Maliks are of two types; the lungi-holder, who is recognized by the Political Agent, and non-lungi holder who is not recognized by the Political Agent.

The Malik distributes the moajab in the community and also collects various fines from the tribes imposed by the government. He settles the disputes among the community members through Jirga (council of elders). He is the legal representative of the government and only he can verify and attest the documents of the people and he has the authority to bail out a person who is arrested by the Political Administration. He serves as the witness and guarantor in land purchasing cases.¹⁸

The Political Agent grants the status of Malik to tribal elder (with the consent of the governor). But the Political Agent can also arbitrarily withdraw, suspend or cancel a Malik's status if he deems that the individual is not serving the interest of the state.¹⁹

Pakhtunwali Code. Pakhtuns follow Pakhtunwali which literally means 'the way of the Pakhtuns'. This is a tribal honor code that has governed the Pakhtun way of life for centuries. There are many primary and secondary codes that govern every aspect of Pashtun life, but key codes are *Melmastia* (hospitality), which requires that any person be afforded the host's protection while in his care; *Badal* (revenge), in the defense of honor, which is equal to but not exceeding the original insult; *Zmaka* (land), involves the protection of one's land or property; and *Nanawatay* (asylum, mercy), derived from the verb meaning "to go in", this is used to describe protection extended to a person who

¹⁸ Excerpts from 'Role of Malik in Pukhtoon Tribal Areas' by Danish Ahmad and Dr. Anwaar Mohyuddin, Department of Anthropology, Quaid-i-Azam University, Islamabad, Pakistan. Journal of Studies in Social Sciences ISSN 2201-4624 Volume 5, Number 2, 2013, 239-253.

¹⁹ Excerpts from 'Role of Malik In Tribal Society: A Dynamic Change After 9/11' by Dr. Muhammad Akbar Malik. Pakistan Annual Research Journal, Vol. 49, 2013.

requests protection against his/her enemies even if the request for asylum and protection is sought among the enemy.²⁰

Customs and Dresses. The cultural heritage of FATA is very rich in terms of hospitality, tribal arts and crafts, historical places, ethnic diversity and natural beauty. The tribes are accustomed to looking after their own resources and solving local problems. They take collective action in support of economic and social activities such as, supporting each other on special occasions like death and marriage ceremonies, harvesting and threshing of crops, construction of Hujras (a meeting place), mosque and other buildings, the cleaning of irrigation channels, protection from flood, maintaining paths, wood and grass cutting.

The *Jirga* system and the Malki system are strong and powerful local institutions for the reconciliation and resolution of local disputes and to punish those who violate the local rules and customs.

Traditionally, the household head has a strong hold and decision-making power for the whole family. The likelihood of divorce or separation in the tribal society is negligible.

The tribesmen wear their traditional clothes, which includes a turban. The women-folk generally use printed clothing and observe strict purdah from outsiders. A lot of money is spent on local ceremonies, particularly on marriages, funerals, birth and other ceremonies/festivals like the celebration of Eid and performing Haj.

Sports. People of FATA are fond of games and sports, which are essential for healthy living and positive growth of the youth. There are a variety of local games and sports played commonly all over the region, both indoors and outdoors. These include; hunting, target shooting, wrestling, swimming and local children's games, and many other games. Despite the sports enthusiasm of its people, the region generally lacks sports facilities.

4.2.6. Economy and Livelihood

There are a few livelihood opportunities available to the people. The local economy is chiefly pastoral, with agriculture practiced in a few fertile valleys. Most households are engaged in primary-level activities, such as, subsistence agriculture and livestock rearing, or small-scale business conducted locally. Others are involved in trade within the tribal belt or with down-country markets. Women take an active part in agricultural activities, collect fuel wood and fetch water, besides attending to household work and family duties.

With few industries and only limited unorganized mining in some areas, many seek employment as short-term unskilled laborers, or enlist in local security and paramilitary forces. Those who are able to travel, find work in cities across Pakistan as well as, in the Middle East, sending their earnings to support families back home. The more highly qualified among them have, in many cases, migrated permanently along with their families to urban centers outside the tribal areas, including Bannu, Dera Ismail Khan and Peshawar.

4.2.7. Socio-economic Profile of PAPs

A socio-economic household survey was carried out as part of the RAP for Component I Peshawar-Torkham Road to establish a socio-economic profile of PAPs living within the Corridor of Influence (CoI) of the Road. The socio-economic household survey covered 98 randomly project affected households (PAHs) out of the total 570 households estimated to be affected by the project, involving 20 % of the total PAHs within the CoI. Given the

²⁰ Adapted from "Peoples and Ethnic Groups – Pashtunwali: The Code", <http://uwf.edu/atcdev/Afghanistan/People/Lesson6Pastunwali.html>, accessed on Oct 3, 2017.

fact that the population affected by Components I and II are homogenous, the following section is offered as an overview of the project area.

The majority of PAHs are living as an extended/ joint family system in the same compound that includes 18.18% as an extended and 54.55% as joint family system, while only 27.27% are living as nuclear households. The major sources of income in the project area are generated from business (shops, stores, auto workshops etc.), services (trucks & trailers drivers), labor, remittances from abroad, etc. The average monthly family income was estimated to be PKR 34,755 and PKR 4,344 on per capita basis. By taking the average household size as 8 persons, this comes to PKR 22,250, the poverty threshold was calculated PKR 22,250. Using official threshold, it was found that on overall basis about 40.45% households were below the poverty line.

Tribal identity along with gender and age were key factors in determining power and influence. The identity of women is drawn from that of their male next of kin – fathers, brothers or husbands. It was noted that among the surveyed households women had no significant role in decision-making, even if decisions directly affect their lives. They had little say in issues that affected themselves, their households, or the community. The rigid tribal culture severely restricts women’s mobility, and purdah is strictly imposed.

Consultations with male PAPs revealed their key concerns related to land acquisition and resettlement issues, whereas consultations with female PAPs, in addition to being concerned with livelihoods and compensation issues, revealed that access to streams (used for drinking water and household needs) as a major concern.²¹

4.2.8. Demography

According to the 1998 census, FATA is home to a population of roughly 3.18 million people (according to the provisional results of the latest population census carried out in 2017, the FATA population is now about 5 million; detailed results are not yet available). The annual population growth between 1981 and 1998 was calculated to be 2.19 percent but certain agencies and FRs showed a decline during the same period. Population density for 1998 stands at 117 persons per square kilometers in FATA as a whole, with wide variations between individual agencies and FRs. In FR Dera Ismail Khan, for example, the population is thinly scattered with 19 persons per square kilometer, while population density in Bajaur Agency reaches 461 persons per square kilometer.

Table 4.2: Population (FATA 1998)

Agency/FR	Area (sq km)	Population (total)	Population Density (person per sq km)	Annual Growth Rate 1981-1998(%)
FATA	27,220	3,176,331	117	2.19
Bajaur	1,290	595,227	461	4.33
Khyber	2,576	546,730	212	3.92
Kurram	3,380	448,310	133	2.50
Mohmand	2,296	334,453	146	4.28
North Waziristan	4,707	361,246	77	2.46
Orakzai	1,538	225,441	147	- 2.69

²¹ Draft Resettlement Action Plan, Peshawar – Torkham Expressway Section- I.

Agency/FR	Area (sq km)	Population (total)	Population Density (person per sq km)	Annual Growth Rate 1981-1998(%)
South Waziristan	6,620	429,841	65	1.95
FR Bannu	745	19,593	26	- 6.65
FR Dera Ismail Khan	2,008	38,990	19	- 2.09
FR Kohat	446	88,456	198	2.59
FR Lakki	132	6,987	53	- 4.81
FR Peshawar	261	53,841	206	2.22
FR Tank	1,221	27,216	22	- 0.61

The average annual population growth for FATA is slightly lower than the provincial average of 2.8 percent and the national average of 2.7 percent (1998 census). The average household in FATA consists of 9 persons, compared to 8 persons in the KP and 7 persons in the country as a whole.

Table 4.3: Demographic Indicators (Pakistan, KP and FATA, 1998)

Indicator	Pakistan	KP	FATA
Geographical area (sq km)	796,096	74,521	27,220
Annual population growth (%)	2.69	2.82	2.19
Average household size (persons)	7	8.00	9
Urban population (% of total)	32.50	16.87	2.70
Population density (persons per sq km)	166.30	238.10	116.70

The gender ratio of 108 males for every 100 females is somewhat puzzling, since some 126,577 persons, most of whom are likely to be men, are recorded as migrants from FATA in other parts of Pakistan during the 1998 census. This should in theory leave a higher proportion of females in the local population. Census reporting in FATA is likely to have been distorted by problems in gathering data, since tribal custom forbids the disclosure of information about women to outsiders.

Table 4.4: Population by Gender (FATA, 1998)

Agency/FR	Total	Male	Female	Ratio
FATA	3,176,331	1,652,047	1,524,284	108
Bajaur	595,227	305,137	290,090	105
Khyber	546,730	284,602	262,128	109
Kurram	448,310	229,634	218,676	105
Mohmand	334,453	175,404	159,049	110
North Waziristan	361,246	192,432	168,814	114
Orakzai	225,441	112,766	112,675	100
South Waziristan	429,841	231,080	198,761	116

Agency/FR	Total	Male	Female	Ratio
FR Bannu	19,593	10,380	9,213	113
FR Dera Ismail Khan	38,990	20,497	18,493	111
FR Kohat	88,456	45,472	42,984	106
FR Lakki	6,987	3,450	3,537	98
FR Peshawar	53,841	27,063	26,778	101
FR Tank	27,216	14,130	13,086	108

4.3. Mohmand Marble City

As described in **Section 2.6**, the Mohmand Marble City (MMC), an industrial estate being developed by the GoP through the FATA Development Authority, is one of the candidate entity for the interventions proposed under Component II of the Project. The key environmental and social features of this location are therefore described below, more details on subproject area and its socioeconomic baseline conditions will need to be provided in subproject-specific RAPs, as described later in the Chapter.

A number of villages exist in the surrounding area; these include Banglo 1, Banglo 2, Kashi Kor, Karerai, Dab kor, and Parato Ghundai. The total population of these villages is estimated to be about 11,000.

The key enterprises in the area include: cultivation; livestock rearing; dairy farming; grocery shops; electric shops; hardware shops; vegetable and fruit shops; general stores; fertilizer shops; utensil shops; marble industry units; confectionery shops; and private Clinics. The key professions/livelihood activities in the area include government jobs; teachers; civil engineers; guards; electricians; technicians; machine operators; drivers; postmen; dispensers; doctors; lady health visitors; laboratory technicians; and computer operators.

Based upon the consultations carried out in the area, the economic conditions of the people of the area is as given in the **Table 4.5** below.

Table 4.5: Economic Conditions in the Area

Number of Households in the Area	Average Yearly Income (PKR)	Living Standards
20 to 30	More than 5 million	High
100 to 150	1.5 to 2 million	Average
300 to 400	0.8 to 1 million	Low
500 to 600	Half a million and less	Low

Being a rural/suburban area, the key land uses include cultivation, residential, commercial and industrial. Wheat, barley, sugarcane, vegetable, and tobacco are the key crops in the area. The land holdings in the area range from half an acre to about 12 acres. Most of the landowners cultivate the land themselves; share-cropping is not common in the area. There are very few roads in the area including Mohmand Agency Road and MMC Road. Electricity network is present in the area though the residents have to face long hours of load shedding. Natural gas network does not exist in the area. The cell phone signals are

available in the area while the cables are being laid for the land line phone network. Five primary schools for boys, four primary schools for girls, one high school for boys and one high school for girls exist in the area. Two Basic Health Units (BHUs) also exist in the area.

Most of the land in the area is privately owned and its sale-purchase is carried out through *Jirga*. An agreement is signed on a court paper for this purpose between the seller and buyer.

In the Perchavi Industrial Estate, which is about five kilometers away from MMC, the industrialists and nearby communities are facing problems such as long hours of electric load shedding, lack of proper planning, and effluent from marble industry being directly disposed to the Kabul River and within the residential areas. The average size of existing industrial plot in the industrial estate is half an acre. Most of industrial units are related to marble processing while a few of them are linked with mechanical works. Most of the workforce is from adjacent villages. No dry port exists in the area.

Due to law and order situation no non-governmental organizations (NGOs) are active in the area. Similarly, no community based organization (CBO) exists in the area. However *Jirga* system is quite effective in the area. The role of *Jirga* is highly influential in the area, locals accept and appreciate *Jirga* system and try to strengthen it.

Salient information on Village Parato Ghundai. There is a village Parato Ghundai located partly inside the MMC (Phase II) and consists of nine households. This village is about 30 years old. Land holding of each household is about half an acre. Total population of this village is 81 comprising 21 men, 24 women, seven elders and 29 children. Their major source of income is labor, working abroad, driving, agriculture and livestock. The villagers are not happy with the compensation offered by the government for acquiring their land for MMC. Mr. Dil Awais Khan, one of the elders from the village, said that they were very happy with the construction of MMC and they were looking forward to the opportunities that they and their future generation would soon have. He further said that government was offering compensation for their houses (presumably including the cost of land) but amount was very low, and that they were looking forward to receiving compensation for construction of houses as well. He further said that they expected MMC to provide them employment opportunities.

The FDA officials when contacted informed that they were quite positive in providing compensation and payment of houses to the villagers. They informed that they were quite hopeful about solving the compensation issue described above. They also informed that some of the villagers were already employed by the contractors working inside the MMC and similar jobs would also be available to the villagers once the MMC becomes operational.

5. Eligibility and Entitlement

This Chapter defines the principle and criteria for determining the eligibility and entitlement for the compensation to be paid to the project affected persons. These will be reviewed during the preparation of subproject-specific RAPs.

5.1. Basic Principles for Resettlement Planning

To meet the requirements of the WB-IR Policy and guidelines, the following basic principles will be followed during the resettlement planning and implementation:

- Adverse impacts on PAPs would be avoided or minimized to the extent possible.
- Where the adverse impacts are unavoidable, the PAPs will be compensated.
- Vulnerable groups will be identified and assisted to improve their standard of living.
- The project will make cash compensation to the PAPs for their affected land, structures and other assets.
- The owners of affected structures, in addition to cash compensation for the structure on replacement cost will be allowed to salvage their building material. This applies to the owners including absentee owners of all categories of immovable structures.
- Before taking possession of the acquired land and properties, compensation/assistance will be made in accordance with the Bank Policy.
- Appropriate grievance redress mechanism will be established at field and project level to ensure speedy resolution of disputes.
- All PAPs are eligible for compensation and livelihood/income restoration irrespective to possession of land title. A title would however be required for payment of compensation for land.
- All compensation will be paid at replacement value for assets without deducting depreciation and salvage value.
- All PAPs and stakeholders will be consulted to improve the design of the project, for preparation of the safeguards documents and over the life of the project.

5.2. Eligibility

The following persons would be eligible for compensation and/or resettlement assistance:

- All land owning affected persons losing land or non-land assets, whether covered by legal title or customary land rights, whether for temporary or permanent acquisition.
- Tenants and sharecroppers, whether registered or not, for all non-land assets, based on prevailing tenancy arrangements;
- Persons losing the use of structures and utilities, including titled and non-titled owners, registered, unregistered, tenants and lease holders plus encroachers and squatters.

- Persons losing business, income and salaries of workers, or a person or business suffering temporary effects, such as disturbance to land, crops, and business operations both permanently and also temporarily during construction;
- Loss of communal property, lands and public infrastructure;
- Vulnerable persons identified through the census/ impact assessment survey/ analysis;
- In case of relocation, all affected persons will receive transitional and other support to re-establish their livelihoods.

5.3. Entitlement for Compensation

To address the resettlement impacts, the present RPF has been prepared to be followed by subproject-specific RAPs that will be prepared once specific details of the respective subprojects are known. The RAPs will include the measures to ensure that the PAPs are:

- Informed about their options and rights pertaining to resettlement;
- Consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives;
- Provided prompt and effective compensation at full replacement cost²² for losses of assets²³ attributable directly to the project.
- Provided assistance (such as moving allowances) during relocation;
- Provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.
- offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living²⁴;
- Provided with development assistance in addition to compensation, such as land preparation, credit facilities, training, or job opportunities.
- The entitlements given below are applicable for the project affected persons losing land, structures, other assets, and incurring income losses. These displaced persons are eligible for rehabilitation subsidies and for the compensation of lost land, structures and utilities along with loss of livelihood. There will also be special provisions for vulnerable displaced persons.

5.3.1. Impacts on Agricultural Land (Permanent Losses).

- Legal/legalizable landowners (including who may have customary rights) are compensated either in cash at replacement cost plus a 15 percent compulsory acquisition surcharge (CAS) free of taxes and transfer costs;

²² "Replacement cost" is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. See further details in Glossary of Terms.

²³ If the residual of the asset being taken is not economically viable, compensation and other resettlement assistance are provided as if the entire asset had been taken;

²⁴ Support may include short-term jobs, subsistence support/ allowances/ assistance.

- Leaseholders of public land will receive rehabilitation in cash equivalent to the market value of the gross yield of lost land for the remaining lease years (up to a maximum of three years).
- Encroachers will instead be rehabilitated for land use loss through a special self-relocation allowance equivalent to one year of agricultural income or through the provision of a free or leased replacement.

5.3.2. Impacts on Agricultural Land (Temporary land loss).

Legal/ legalizable owners and tenants or encroachers will receive cash compensation equal to the average market value of each lost harvest for the duration of the loss, and for the restoration of both, cultivable and uncultivable land, to pre-construction conditions. Through specification in the contract agreements contractors will be required to carry out restoration works before handing land back to the original occupiers, or PAPs will be provided with cash to rehabilitate the land.

5.3.3. Severely Displaced Persons.

- Vulnerable households, legal/ legalizable owners, tenants or encroachers will be entitled to one vulnerable impact allowance equal to the market value of the harvest of the lost land for one year (summer and winter), in addition to the standard crop compensation.
- The aim of this payment is to assist severely displaced persons to overcome the short term adverse impacts of land and asset loss, and help them to readjust to their changed circumstances while they are making replacement earning arrangements. There will be a need to closely monitor such severely displaced persons. The one-time payment should, at the absolute minimum be adequate to provide them with equivalent level of livelihood than they had previously.
- Other options can be considered, including non-cash based livelihood support and employment, both temporary and permanent. Other additional income restoration measures can be considered based upon the findings of the Social Impact Analysis.

5.3.4. Residential and Commercial Land.

- Residential and commercial land will be compensated at replacement value for each category of the PAPs.
- Residential and commercial land owners will be entitled to the following:
 - Legal/ legalizable owners will be compensated by means of either cash compensation for lost land at replacement cost based on the market value of the lost land plus a 15 percent CAS, free of taxes and transfer costs; or in the form of replacement land of comparable value and location as the lost asset.
 - Renters are compensated by means of cash compensation equivalent to three months of rent or a value proportionate to the duration of the remaining lease, including any deposits they may lose.
 - Encroachers/squatters are compensated through either a self-relocation allowance covering six months of income or the provision of a leased replacement plot in a public owned land area. They will be compensated for the loss of immovable assets, but not for the land that they occupy.

5.3.5. All Other Assets and Incomes.

- Structures will be compensated in cash at replacement cost²⁵ plus 15 percent CAS. There will also be a 10 percent electrification allowance and any transaction costs will be paid. Materials that can be salvaged are allowed to be taken by the owner, even if compensation has been paid for them.
- Renters or leaseholders of a house or structure are entitled to cash compensation equivalent to three months' rent or a value proportionate to the duration of the remaining lease period.
- Crops will be compensated for owners, tenants and sharecroppers based on their agreed shares. The compensation will be the full market rate for one year of harvest including both rabi and kharif seasons.
- Fruit and other productive trees will be compensated based on rates sufficient to cover income replacement for the time needed to re-grow a tree to the productivity of the one lost. Trees used as sources of timber will be compensated for based on the market value of the wood production, having taken due consideration of the future potential value.
- Businesses will be compensated for with cash compensation equal to one year of income for permanent business losses. For temporary losses, cash compensation equal to the period of the interruption of business will be paid up to a maximum of six months or covering the period of income loss based on construction activity.
- Workers and employees will be compensated with cash for lost wages during the period of business interruption, up to a maximum of three months or for the period of disruption.
- Relocation assistance is to be paid for PAPs who are forced to move from their property. The level of the assistance is to be adequate to cover transport costs and also special livelihood expenses for at least one month or based on the severity of impact.
- Community structures and public utilities, including mosques and other religious sites, graveyards, schools, health centers, hospitals, roads, water supply and sewerage lines, will be fully replaced or rehabilitated to ensure their level of provision is, at a minimum, to the pre-project situation.

5.4. Entitlement Matrix

The compensation and rehabilitation entitlements are summarized in the Entitlement Matrix presented in **Table 5.1**. This will be carefully reviewed while preparing the subproject-specific RAPs and revised as appropriate.

Table 5.1: Entitlement Matrix

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²⁶
Temporary impacts on arable land (in view of the scale and nature of	Access is not restricted and existing or	Farmers/ Titleholders	• No compensation for land provided that the land is rehabilitated/ restored to its

²⁵ For the definition of replacement cost, please see Glossary of Terms.

²⁶ Compensation for all assets will be paid to the owner of the asset.

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²⁶
the subprojects under Component II, the duration of such temporary impacts is likely to be short, typically 3-4 months for small projects and can be larger for bigger projects).	current land use will remain unchanged		former quality following completion of works; <ul style="list-style-type: none"> • Compensation, in cash, for all damaged crops and trees. • Compensation, in cash, for income loss if any for the duration of the temporary impacts.
		Leaseholders (<i>registered or not</i>)	<ul style="list-style-type: none"> • No compensation for land provided that the land is rehabilitated/ restored to its former quality following completion of works; • Compensation, in cash, for all damaged crops and trees. • Compensation, in cash, for income loss if any for the duration of the temporary impacts.
		Sharecroppers (<i>registered or not</i>)	<ul style="list-style-type: none"> • Compensation, in cash, for all damaged crops and trees. • Compensation, in cash, for income loss if any for the duration of the temporary impacts.
		Agricultural workers	<ul style="list-style-type: none"> • Cash indemnity corresponding to their salary (including portion in kind) for the period of temporary disturbance due to project activities.
		Squatters	<ul style="list-style-type: none"> • Compensation, in cash, for all damaged crops and trees, where these are owned by the squatters. • Compensation, in cash, for income loss if any for the duration of the temporary impacts.
Permanent impacts on arable land where access is restricted and/or land use will be affected	All adverse effects on land use independent of severity of impact	Farmers/ Titleholders Landowners with customary rights	<ul style="list-style-type: none"> • Land for land compensation with plots of equal value and productivity to the plots lost;ensuring economic viability of the new land and also ensuring that the PAPs' livelihood is not negatively affected or; • Cash compensation plus 15% CAS for affected land at replacement cost based on market value free of taxes, registration, and transfer costs

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²⁶
		Leaseholders (<i>registered or not</i>)	<ul style="list-style-type: none"> • Renewal of lease contract in other plots of equal value/ productivity of plots lost, or • Cash equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years).
		Sharecroppers (<i>registered or not</i>)	<ul style="list-style-type: none"> • Cash equivalent to market value of the lost harvest share once (temporary impact) or twice (permanent impact). • Provision of livelihood restoration support (i.e, inclusion in the Livelihood Restoration Plan).
		Agricultural workers losing their contract	<ul style="list-style-type: none"> • Cash indemnity corresponding to their salary (including portions in kind) for the remaining part of the agricultural year. • Provision of livelihood restoration support (ie, inclusion in the Livelihood Restoration Plan).
		Squatters	<ul style="list-style-type: none"> • One rehabilitation allowance equal to market value of 1 gross harvest (in addition to crop compensation) for land use loss.
	Additional provisions for severe impacts (Land loss more than 10% of land holding)	Farmers/ Titleholders Leaseholders	<ul style="list-style-type: none"> • One severe impact allowance equal to market value of gross harvest of the affected land for 1 year (inclusive of winter and summer crop and additional to standard crop compensation).
		Sharecroppers (<i>registered or not</i>)	<ul style="list-style-type: none"> • One severe impact allowance equal to market value of share of harvest lost (additional to standard crop compensation)
		Squatters	<ul style="list-style-type: none"> • One severe impact allowance equal to market value of gross harvest of the affected land for 1 year (inclusive of winter and summer crops and additional to standard crop compensation)
Residential or Commercial Land		Titleholders/ People with customary rights	<ul style="list-style-type: none"> • Land for land compensation through provision of a plot comparable in value/ location to plot lost or • Cash compensation plus 15% CAS for affected land at full

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²⁶
			replacement cost free of taxes, registration, and transfer costs.
		Renters/ Leaseholders	<ul style="list-style-type: none"> • 3 months' rent or a value proportionate to the duration of the remaining lease, including any deposits they may lose.
		Squatters	<ul style="list-style-type: none"> • Accommodation in available alternate land/ or a self-relocation allowance equivalent to one month of official minimum wage.
Houses/ Structures	Full loss of structures; partial loss of structures; moving minor structure; kiosks and temporary structure	Owners	<ul style="list-style-type: none"> • Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs. • In case of partial permanent impacts full cash assistance to restore remaining structure, in addition to compensation at replacement cost for the affected part of the structure.
Houses/ Structures	Full loss of structures; partial loss of structures; moving minor structure; kiosks and temporary structure	Tenants	<ul style="list-style-type: none"> • Affected tenants will receive cash compensation of a value proportionate to the duration of the remaining lease period, or three months, whichever is higher.
Crops	Crops affected	All PAPs owning crops (including squatters)	<ul style="list-style-type: none"> • Crop compensation in cash at full market rate for one harvest (either winter or summer) by default for impacts caused by the project activities. • All other crop losses will be compensated at market rates based on actual losses.
Trees	Trees affected	All PAPs owning trees (including squatters)	<ul style="list-style-type: none"> • For timber/ wood trees, the compensation will be at market value of tree's wood content. • Fruit trees: cash compensation based on lost production for the entire period needed to re-establish a tree of equal productivity.

Type of Loss	Specification	Affected Persons	Compensation Entitlements ²⁶
Business/ Employment	Temporary or permanent loss of business or employment	All PAPs (including squatters, agriculture workers)	<ul style="list-style-type: none"> • Business owner: (i) Cash compensation equal to one year income, if loss is permanent; ii) in case of temporary loss, cash compensation equal to the period of the interruption of business up to a maximum of six months or covering the period of income loss based on construction activity. • Workers/ employees: Indemnity for lost wages for the period of business interruption up to a maximum of three months (to be calculated on the basis of Cost of Basic Needs (CBN), which is currently PKR 3,030 per person per month).
Relocation	Transport and transitional livelihood costs	All PAPs affected by relocation	<ul style="list-style-type: none"> • Provision of sufficient allowance to cover transport expenses and livelihood expenses for one month (to be calculated on the basis of CBN per person).
Community assets	Mosques, foot bridges, roads, schools, health center	Affected community	<ul style="list-style-type: none"> • Rehabilitation/ substitution of affected structures/ utilities (i.e. mosques, footbridges, roads, schools, health centers).
Vulnerable PAPs livelihood	Households below poverty line; female headed households; disable persons.	All vulnerable PAPs	<ul style="list-style-type: none"> • Lump sum one time livelihood assistance allowance (to be calculated on the basis of CBN per person) on account of livelihood restoration support. • Temporary or permanent employment during construction or operation, where ever feasible. • Provision of one time PKR. 15,000 moving assistance to cover transport expenses, where applicable.
Unidentified Losses	Unanticipated impacts	All PAPs	<ul style="list-style-type: none"> • Deal appropriately during project implementation according to the World Bank Operational Policies.

5.5. Calculation for Compensation Payments

Individual and household compensation will be made in kind and/or in cash (refer to Table 5.2). Although the type of compensation may be an individual's choice, compensation in kind will be preferred, if available, when the loss amounts to more than 20 percent of the

total loss of assets. Compensations for land and other assets (buildings and structures) are determined as follows:

Table 5.2: Forms of Compensation

Compensation	Notes
Cash Payments	Compensation will be calculated and paid in the national currency. Rates will be based on the market value of land and/or assets when known, or estimated when not known, plus compensation for the value of standing crops.
In-Kind	Compensation may include items such as land, houses, and other buildings, building materials, seedlings, agricultural inputs and financial credits for equipment.
Assistance	Assistance may include moving allowance, transportation and labour.

Land will be valued following a valuation process and the provisions of RPF. For land valuation, Land Valuation Committees (LVC) will be formed comprising members from PIU, local administration, Jirga/PAPCs and Project NGO (if any) with a mandate to fix the rates based on market survey and negotiation with the communities.

6. Resettlement Planning and Implementation

This Chapter describes the process to be followed during the project implementation to address the resettlement impacts associated with the subprojects undertaken under Component II. Also provided in this Chapter are the institutional arrangements required to implement this process.

6.1. Potential Resettlement Impacts of the Project

As described in **Section 2.4.2**, the specific activities under Component II of the project comprise: a) preparation of the Greater Peshawar Economic Development Plan, (i) National single window complementing the border crossing process improvements at Torkham being supported by the ADB (ii) Strategic technical assistance covering preparation of Greater Peshawar Economic Development Plan, reinforcement of key institutions relevant to economic development of Greater Peshawar, and design and implementation of reforms of business development; (iii) rehabilitation/upgrading of secondary transport infrastructure, connecting communities and industrial zones in FATA and Peshawar to the Peshawar Torkham Expressway; iv) upgrading up to four industrial zones in FATA, namely Mohmand Marble City (MMC), Bara, Jamrud/Shahkus, and Mulagori; and v) skills development of men and women in FATA to promote entrepreneurship. The third and fourth of the above listed activities have the potential to cause resettlement impacts that are discussed below. The fifth activity may also involve land acquisition but its scope is not clear at this stage.

Though the exact location of the connective roads and nature and extent of rehabilitation activities are not known at this stage, these activities may require additional land, which may or may not be part of the original right of way (RoW) of such roads. In addition, these activities may also affect encroachers who may be using the RoW for residential and or commercial purposes. The road rehabilitation activities can also impact the owners of small kiosks and other street vendors that may be present in the area.

Similarly, though the nature and extent of industrial zone rehabilitation and upgrading activities are not known at this stage, these activities may cause resettlement impacts quite similar to the ones described above for transport infrastructure. These potential impacts include land acquisition (though attempts will be made to avoid or at least minimize such land take requirements); and physical/economic displacement of encroachers, street vendors, and owners of kiosks.

In addition, the *implementation* of economic development plans though not included in the proposed PTEC project may also cause resettlement impacts similar to the ones mentioned above. However these potential impacts are not covered under the present RPF.

Potential Resettlement Impacts in MMC and BIZ

As described in **Section 2.6.1**, land has already been acquired for the MMC and hence the activities under the Component II of the proposed project are not likely to need any new land acquisition.²⁷ Similarly, the activities are not likely to have other resettlement impacts such as those on encroachers. However any subproject activities outside the MMC may potentially cause resettlement impacts.

²⁷ The subproject-specific RAPs will however need to identify any legacy issues pertaining to land acquisition.

The situation in BIZ is more complex since the industrial units have been developed there without much planning and without following any bylaws. Hence any interventions in this area under Component II are likely to cause resettlement impacts of various kinds including land acquisition.

Situations with pre-existing conditions connected to land acquired prior to Bank financing or works already carried out should be analyzed systematically for risks in line with World Bank interim guidance on legacy issues.²⁸

Overall Approach to Address Resettlement Impacts

Since the actual resettlement impacts associated with the Component II cannot be accurately identified and quantified at this stage as stated above, RAPs cannot be prepared for these interventions and hence the present RPF has been prepared instead. The process for preparing these subproject-specific RAPs is presented in the following Section.

6.2. Resettlement Planning Process

A separate Resettlement Action Plan (RAP)/Abbreviated Resettlement Action Plan (ARAP) will be prepared for each subproject involving resettlement impacts and shall be based on the following principles:

- identify possibility of land acquisition and resettlement during screening of subprojects;
- minimize resettlement through relocation/realignment of the project site, where possible;
- if resettlement is unavoidable, prepare a Resettlement Action Plan (RAP) in line with World Bank OP 4.12;
- undertake meaningful consultation with project affected persons (PAPs);
- ensure PAPs are clearly identified including those with no formal rights;
- restore their livelihood;
- pay compensation in time before land is acquired,
- establish an accessible and culturally sensitive Grievance Redress Mechanism at the subproject level for handling complaints that may arise as a result of resettlement process; and
- disclose all relevant information.

The PIU may engage consultants for preparing these RAPs./ARAPs. The project will also engage a third party for validation of RAP implementation.

6.2.1. Social Screening

Early screening will be carried out for every subproject right after its identification. This will help to select sites where lands will be free from all encumbrances. Resettlement will be avoided or, where this is not possible, then minimized. If resettlement is likely to occur, a social impact assessment survey will be conducted to assess the type and magnitude of resettlement impacts. A RAP/ARAP will be prepared based on the detailed design of the proposed subproject by following the principle laid down in the present RPF. The

²⁸ Interim Guidelines for Addressing Legacy Issues in World Bank Projects, June 2009.

RAP/ARAP with a detailed compensation and/or rehabilitation plan will be implemented before access to the land for civil works is allowed.

A rapid social and resettlement impacts screening exercise of indicative subprojects will be conducted to identify possible adverse social impacts. Efforts will be made to avoid, minimize, and/or mitigate/compensate resettlement impacts and a screening mechanism will be laid down. This will allow the possibility to exclude certain activities/subprojects if their environmental or social impacts are significant.

The involuntary resettlement screening checklist will be filled to examine the status of land acquisition, ownership, number of owners/ project affected persons, land use category, magnitude of impact on the livelihood and type/ nature and magnitude of resettlement impacts. The involuntary resettlement screening checklist is provided in **Annex A** of this RPF.

Subproject Category Classification Guidelines

Based on the screening data on the extent of likely impacts, the subproject safeguard requirements will be categorized as follows:

- **Significant impact** – If as a result of the subproject, 200 or more people may experience major impacts, that is, being physically moved from housing, or losing 10 percent or more of their productive (income-generating) assets, a full scale RAP will need to be prepared to commensurate the impacts;
- **Non-significant impact** – If as a result of the subproject, less than 200 people will be physically displaced from housing or lose less than 10 percent of their productive (income-generating) assets, an Abbreviated Resettlement Action Plan (ARAP) will need to be prepared to commensurate the impacts;
- **No impact**– If the subproject does not require permanent/or temporary land acquisition, and there are no impacts including the loss of land, structures, crops and trees, businesses or income (livelihood), RAP/ARAP will not be prepared. However, this category of subprojects may include insignificant/temporary social impacts which are generally mitigated as a part of construction activities in consultation with the PAPs.

Thus, any subproject that may cause significant resettlement impacts (Category A) will require a comprehensive RAP, while in case of Category B subproject, an ARAP will be required. In case of Category C subproject, the temporary/ minor impacts are generally mitigated during the project implementation as a part the contractors' contract.

6.2.2. Cut-off Date

The cut-off date shall be set to prevent false claims for compensation or rehabilitation. Normally, this cut-off date is the date when the census begins. Compensation eligibility will be limited by a cut-off date for each subproject on the day of the beginning of the census survey for the impact assessment in order to avoid an influx of outsiders. Each affected person will be identified and issued with an identification which confirms their presence on the proposed site of a subproject prior to the cut-off date. The cut-off date will be announced through local means of communication including face-to-face communication with communities. Any persons who would settle/or build assets on encroached lands in the affected areas after the cut-off date will not be eligible for compensation.

6.2.3. RAP Preparation

The RAP preparation activities will be initiated as part of the preparation of each new subproject involving resettlement impacts. The requirement will be to take the completed detailed design of proposed subproject and carry out a measurement survey and enumeration. The RAP consultants will acquire map of the land from the Revenue Department and overlay subproject detailed design with clear demarcation of government land, and also carryout demarcation on the ground in the presence of local community representatives in a transparent manner to avoid any confusion. After assessment of all impacts of a subproject, a RAP will be prepared to compensate/mitigate the identified impacts. Any unforeseen or additional impacts will be mitigated in the light of principles and procedures laid down in the present RPF. The RAP preparation will entail the following steps:

- **Description of subproject.** The following subproject information/data would be needed to prepare subproject-specific RAPs:
 - Objective of subproject
 - Location of subproject and detailed design with a clear demarcation of the project footprint.
 - Activities involved during implementation (eg, construction)
 - Activities involved during operation and maintenance
 - Need of any land take (project component wise requirement of land covering both permanent and temporary acquisition)
 - Detailed GIS maps
 - Description of implementing agency
 - Implementation schedule
 - Manpower requirements.
- **Socioeconomic Survey:** A socio-economic survey of 25 percent project affected households (AHs) will be carried out to provide a detailed socio-economic profile of the population in the project areas. The information gathered will focus on:
 - household composition and demography;
 - ethnicity, religion and language;
 - education;
 - livelihood patterns and income baseline;
 - land ownership patterns;
 - displaced persons income levels and expenditure patterns;
 - poverty levels of the area;
 - household possessions;
 - agriculture and cropping patterns (if agriculture is practiced in that area);
 - livestock;
 - housing;

- gender analysis;
 - available social/public amenities;
 - cultural, religious and other structures;
 - migration;
 - credit availability and banking facilities;
 - specific impacts on the poor, women and other vulnerable groups
 - displaced persons' views on the subproject and various resettlement and rehabilitation options.
 - Any legacy issues such as court cases and disputes pertaining to acquisition (or sale/purchase) of land for the industrial zones or existing connective transport infrastructure.
- The data will be gender disaggregated to identify specific gender related issues. The survey will be used to investigate the PAPs' socio-economic condition, identify the project impacts on PAPs and to establish a benchmark for monitoring and evaluating the implementation of a subproject's compensation and rehabilitation program.
 - **Census Survey:** A census of all AHs will be undertaken based on the categorizations in the entitlement matrix. The Census will determine the exact number of AHs/PAPs and how they will be affected by the specific impacts of a subproject. The Census will also identify all severely and vulnerable AHs.²⁹
 - **Impacts Assessment and Inventory:** This task will be based on a Detailed Measurement Survey (DMS) which identifies the nature and magnitude of loss. The survey will include all losses including encroached land (residential and agricultural), immovable structures, communal, public and cultural/religious facilities, crops, trees and business incomes and wages. The impact assessment will also include a survey of compensation rates as detailed above and also the incomes of the AHs.
 - **Gender Impacts, Social Inclusion and Mitigation Measures:** The RAP will include measures ensuring that the socio-economic needs and priorities of women and other marginalized groups are identified, addressed and mitigated. The gender provisions will be incorporated to safeguard the specific needs and problems of women, displaced persons or other marginalized during subproject implementation. The socio-economic data gathered will be gender-disaggregated. Gender roles will be analyzed and the needs, aspirations and priorities of women will be taken into consideration during consultation and preparing mitigation measures and reported in the RAP. Female staff will be hired to collect data and assist women in consultations, resettlement options and activities where appropriate. Female household heads will be registered as the recipients of compensation and rehabilitation measures due to their households. Women and marginalized groups will be included in the consultation process through meetings and will be encouraged to participate in the RAP planning and implementation process. Due

²⁹ For the definition of vulnerable AH, please see Glossary of Terms.

consideration will be given to complaints and grievances lodged by women and marginalized PAPs following the procedures outlined in this RPF.

- **Stakeholder Consultation.** Consultations will be carried out particularly with affected persons, beneficiaries and other key stakeholders during preparation and implementation of each RAP. The timing and nature of these consultations will vary depending upon the implementation program. Subproject specific stakeholders will be identified through the initial social impact assessment of each subproject. Stakeholder consultations will be carried out during the preparation of the subproject through community meetings, focus group discussions and interviews of key informants for their views and recommendations for the subproject preparation and implementation. These recommendations will be included in RAP and with description of actions defined to address them.
- Specific consultations will be carried out with the PAPs of each subproject to identify their needs and preferences for compensation and rehabilitation measures. In this regard the affected persons, including the displaced persons, will be thoroughly informed on the results of the census and impact assessment and their preferences for compensation and other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of PAPs and other stakeholders will be detailed in the RAPs, with the list of participants, the location, date and minutes of consultation meetings.
- To ensure involvement of resettlers and host communities, the subproject-specific RAPs will need to include the following:
 - a description of the strategy for consultation with and participation of resettlers and hosts in the design and implementation of the resettlement activities;
 - a summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
 - a review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individuals, families, or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries); and
 - institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.
- **Valuation of Assets.** Land if acquired for the project will be valued at the replacement cost of land of approximately equal type and quality determined through replacement cost survey for the period of no more than one year preceding the cut-off date for the project. Land valuation will take into account the land tenure and ownership systems prevailing in KP and FATA.
- Buildings and other structures will be valued based on precise measurement, quality and measurement of materials and will be calculated based on replacement cost (i.e., cost of new building materials and labor) with no depreciation for age and

deduction for salvageable materials, sufficient to cover the cost of materials and labor.

- Crops will be valued at the current market rates for the net harvest actually lost. Trees will be compensated on the basis of their local market values to reflect replacement income. The cost of wood trees will be calculated based on the average volume of wood produced, quality of wood size classes, as determined by girth, diameter at breast height or volume. Fruit bearing trees will be compensated based on the compensation for loss of fruit trees at current market value depending on type and productive age of the fruits trees and market value of the produce for the time required to grow a tree of equivalent productive capacity.
- **Resettlement Entitlement and Policy Matrix:** An entitlement matrix consistent with the RPF will be developed. For the restoration of the living standards of the PAP, provision will be made so that people should be provided proper compensation and assistance to restore their livelihoods.
- **Implementation Arrangements:** For effective implementation, RAP will describe the implementation arrangements. Identification of critical path actions, preparation of RAP implementation arrangements, compensation procedures and resettlement process will be described for an efficient and smooth implementation of RAP.
- **Preparation of Monitoring, Evaluation and Reporting Plan:** The mitigation measures are effective only if properly monitored. For this purpose, proper Monitoring, Evaluation and Reporting plan will be prepared.
- **Grievance and Redress Mechanism (GRM):** Under the GRM, RAP will describe the options available to affected persons for grievance redressal they may have about the process, the identification of eligible people for compensation, the valuation and compensation and any other complaints they may have against the entire process. The GRM will be consistent with the provisions of RPF.
- **Cost Estimates:** The RAP preparation and implementation costs, including cost of compensation, various eligible allowances, monitoring & evaluation, grievances redress and LAR administration, as well as contingencies, will be estimated and included in the RAP and will be considered an integral part of Project cost.

Cost estimation will be made during preparation of RAP. The RAP (s) will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and (iii) a cost table for all compensation expenses including administrative costs and contingencies.

- **RAP Compilation.** Subsequent to the tasks described above, RAP will be compiled documenting the process and outcome of the resettlement assessment. The RAPs may need to be updated to take into account changes in the final designs or any unforeseen or additional impacts during the construction phase. The RAPs should be updated (i) on the completion of detailed engineering design but prior to the award of civil works contracts and (ii) during the subproject civil works where design changes during construction result in changes to the resettlement impacts. Land will not be possessed until all amended RAPs or addendum to a RAP get approved by the World Bank, payments made and PAPs vacate the land within the agreed notice period, mentioned in the RAP of a subproject. The RAPs will include a time bound program which is related to the date that the land is required for

construction purposes. The RAP will include an entitlement matrix spelling out the exact amount of compensation to be paid to each household against each type of eligibility and loss. RAPs will also detail resettlement and rehabilitation strategy, their implementation and institutional arrangements, monitoring and evaluation requirements, documentation protocols, and a grievance redress mechanism (GRM). Each RAP will also include details of the resettlement impacts, a livelihood restoration plan, estimates for compensation and assistance, list of PAPs with their respective resettlement impact and associated compensation. The structure of RAP is provided in **Annex B** of this RPF.

All RAPs prepared for Component II subprojects will need to be cleared by the World Bank. The executive summary of each approved RAPs will be translated in Urdu and available for public review at suitable locations including project office, offices of the concerned government department/agency, and office of the Political Agent where relevant. RAPs and Urdu translations of their executive summaries will be placed on the official websites of GoKP and FATA Secretariat.

6.3. Implementation Arrangements

6.3.1. Steering Committee

Component II of the PTEC project will be implemented by the FATA Secretariat and FDA. A Steering Committee possibly comprising of the Additional Chief Secretary for FATA, the Director of Projects (FATA Secretariat), the Head of FDA and, to ensure full coordination with KP, the Secretary of the Planning and Development Department (P&DD) of the Government of Khyber Pakhtunkhwa (GoKP) will likely be part of the committee for ensuring effective implementation of the component.

6.3.2. Project Implementation Unit (PIU)

A PIU, headed by a General Manager (GM) and situated within the FATA Secretariat, will be established for the implementation of activities under Component II. The PIU, functioning as the Project Secretariat, will support the Steering Committee. The PIU will be adequately staffed with competent professionals. In addition to the technical staff, the PIU will include an Environmental Specialist, a Social Development/Resettlement Specialist (please see **Annex C** for the ToR of this position), a Communication Specialist, a Gender Specialist, a Contract Administration Specialist and, a Financial Management Specialist. The PIU will be responsible for overall coordination, internal/external processing of all approvals including PC-I, procurement and implementation of civil works, preparation and implementation of RAPs and Environmental and Social Management Plans (ESMPs), procurement and management of consultant services, operating special account and financial management.

For the implementation of social safeguard aspects, different entities will be involved including the PIU itself and a SRMU which will need to be established within the PIU. Figure 6.1 presents organizational set-up for the PTEC Project (Component II) as well as for RPF and SMF implementation.

The SRMU will be established within PIU (FATA Secretariat) with a mandate to ensure compliance with the FCR (1901), national regulatory as well as WB safeguard policy requirements pertaining to social, and resettlement aspects. The proposed composition of SRMU is as below:

- Deputy Manager, Social and Resettlement: focal person for social and resettlement aspects
- Assistant Manager (Social): member;
- Assistant Manager (Resettlement): member;
- A representative of a Community Based Organization (CBO) or a local Non-governmental Organization (NGO).

The SIA/SMP and RAP/ARAP of sub-projects will be prepared by SRMU in accordance with SMF and RPF by hiring a consultant/or by supervisory consultants and these will be submitted to WB for approval.

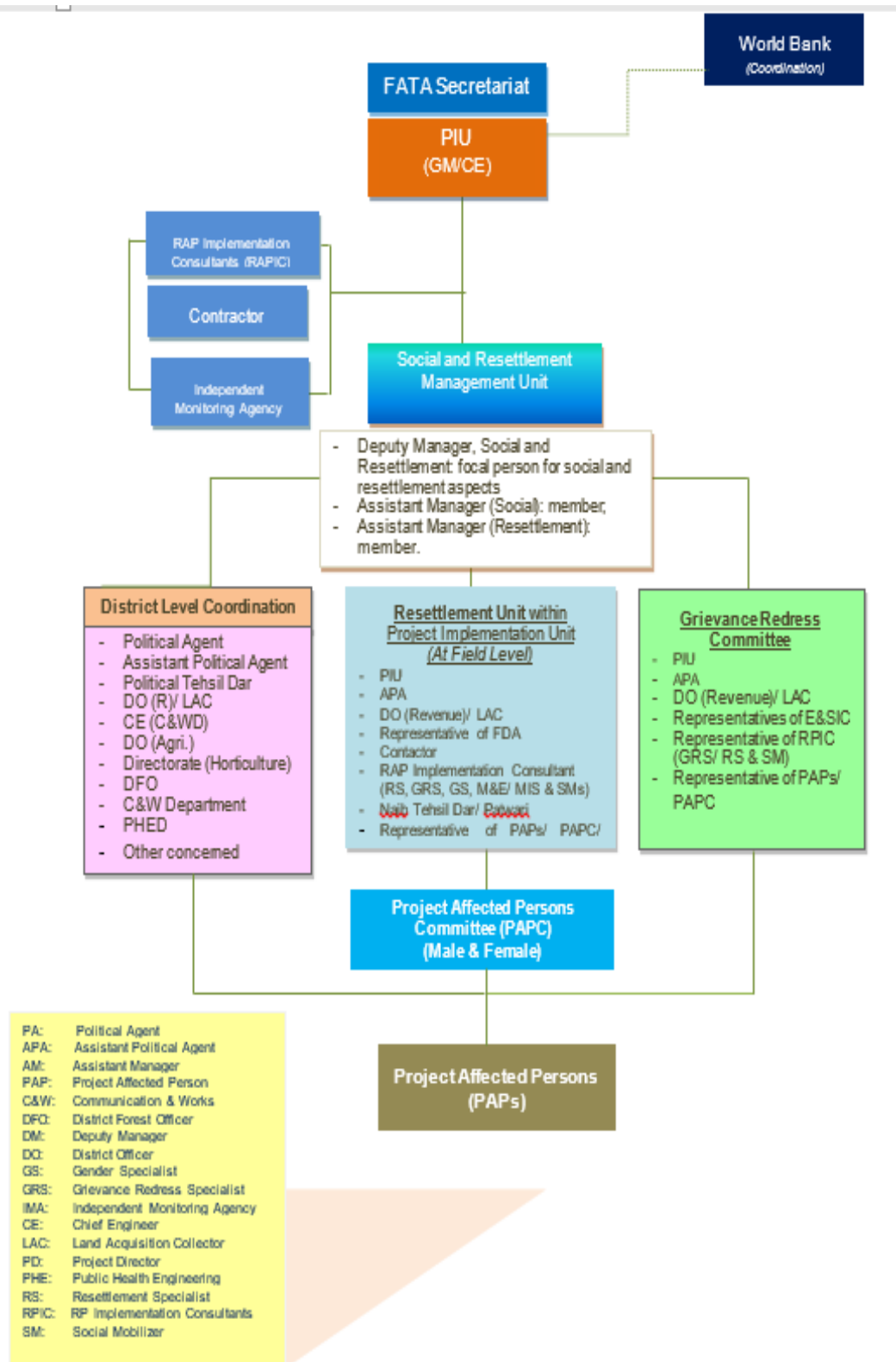


Figure 6.1: Institutional Set-up for the Implementation of RAP/ ARAP

For the preparation and implementation of SIA/SMP and RAP/ARAP, the SRMU if established will have the following specific functions:

- Assist and supervise the Consultants for the preparation/update of RAP/ARAPs and SIA/SMPs at the final design stage, including additional inventory surveys, measurements, assessment, and valuation in coordination with concerned departments;
- Assist and supervise the Consultants for the implementation of the approved RAPs/ARAPs and SIA/SMP in accordance with the procedure given in this SMF and RPF and through the assistance of Resettlement Unit (RU) under the PIU at sub-project level which will be established for the implementation of RAP/ARAP;
- The SRMU will hold monthly meetings with the Consultants to review the progress, to identify related gaps and issues, and to determine corrective actions needed;
- Maintaining close liaison and coordination with various project entities including PAPC for male and female, and GRC (discussed later in the following section);
- Maintaining liaison with regulatory agencies/authorities and WB, as needed; and
- Preparation and dissemination of periodic reports (internal & independent monitoring reports) in coordination with the Consultants.

6.3.3. Resettlement Unit (RU)

The RU will likely be established at Sub-Project level (field level) for the implementation of the RAP/ARAP (when RAP/ARAP is prepared). The RU will possibly have the following members, in addition to its own technical staff including an Executive Engineer:

- Assistant Political Agent/LAC (KP)
- Representative of PIU
- Representatives of Contractor
- RAP/ARAP Implementation Consultant
- Naib Tehsil Dar/ Patwari (KP)
- Representative of PAPC (male and female)

With respect to RAP/ARAP implementation, the major responsibilities of RU will include:

- Distribute the notices to the entitled PAPs regarding payment of compensation;
- Facilitate the PAPs for completing the necessary documentation to receive their entitled payments;
- Maintain liaison and interaction with the PAPs and local communities to address their concerns;
- Provide proper guidance to PAPs for the submission of their requests for compensation as per eligibility and entitlement;
- Help the PAPs to forward their complaints, if any, to the GRC;
- Help the PAPs in any other related activities; and
- Maintain close liaison with PIU, SRMU, contractor, and relevant government departments for RAP implementation.

6.3.4. RAP Consultants

The PIU will engage a consulting firm (RAP Consultants) to prepare and implement RAPs for individual subprojects under Component II. The RAP Consultants, working under the supervision and monitoring of the PIU's Resettlement Specialist, will ensure that all relevant agencies involved in the implementation of RAP are: (a) fully informed of RAP's and the WB Policy's requirements; and (b) ensure RAP implementation at field level by providing District/Agency-level offices with the directions needed to ensure effective synergy and task coordination between PIU, LACs and relevant District/Agency departments. The RAP Consultants will maintain close liaison and coordination with PIU PAPs Committee/s, and concerned Departments/Agencies to ensure smooth preparation and implementation of RAPs. The RAP Consultants will include specialists from various disciplines including social development, resettlement, and communication/consultation.

6.3.5. PAPs Committee

The project affected person committee (PAPC) will be formed at the field level with participation from each village. In some instances, per local custom, a Jirga may play the role of a PAPC. The PAPC will have a chairperson, a secretary and members. If needed/appropriate, separate female PAPCs will also be established to ensure greater participation of the female PAPs. The PAPC will be responsible for the following activities:

- Interaction within the community particularly PAPs (male and female)
- Interaction between a) the community particularly PAPs; and b) the PIU and RAP Consultants.
- Participate in the survey of the affected communities and PAPs
- Participate in the consultations to be varied out by PIU, RAP Consultants, and Monitoring and Evaluation Consultants discussed later in the Chapter).
- Disclosure of project and RAP information among the communities particularly the PAPs.
- Help and facilitate the PAPs in completing the requisite documents for compensation payments
- Ensuring payment of compensation in accordance with the entitlement matrix given in the approved RAP.
- Facilitate early resolution of grievances and complaints raised by the communities particularly PAPs.

6.4. Monitoring and Evaluation (M&E)

The objective of monitoring of RAP implementation is to identify implementation problems and successes as early as possible so that the implementation arrangements can be adjusted. Two types of monitoring will be designed in the RAP i.e. internal and external monitoring. The internal monitoring is to be carried out by the Social and Resettlement Specialist of PIU. The external/independent monitoring is to be carried out by the Independent Monitoring Agency (IMA) to be hired by the PIU for the project. The PIU will prepare the terms of reference for the IMA before RAP implementation begins, which will be cleared by the Bank.

6.4.1. Internal Monitoring

The preparation and implementation of each RAP will be monitored along with the status of resolution of all complaints (with details) and also the consultation plan. Internal monitoring will be carried out routinely by the social and resettlement specialist of PIU. Results of internal monitoring will be compiled and shared with the Steering Committee, PAPs, and the Bank through monthly and quarterly progress reports (QPRs). Indicators for the internal monitoring will be those related to process, immediate outputs and results.

6.4.2. External Monitoring

External monitoring will need to be carried out for the entire process of RAP preparation and implementation including impacts and outcome indicators; these indicators will be specified in RAPs. External monitoring will be initiated by the beginning of the first RAP preparation, and its results will be communicated to PIU, all concerned PAPs, and the Bank through quarterly and annual reports. If required by the PIU, monthly reports may also be produced. The external monitoring will be done through reviewing the RAP preparation process, verifying the internal RAP implementation reports of the PIU and RAP Consultants, interviewing a random sample of PAPs in the field, observing the functioning of the resettlement operation at all levels to assess its effectiveness and compliance with the RAP, checking the type of grievance issues and the functioning of grievance redress mechanisms, and surveying standards of living of the PAPs. The IMA will advise PIU regarding possible improvements in preparation and implementation of the RAP.

The IMA will also assess the status of subproject affected vulnerable groups such as female headed households, disabled/elderly, and families below the poverty line and socially isolated. The IMA will consider indicators in monitoring and evaluation of subprojects RAPs such as socio-economic conditions of the PAPs in the post resettlement period; communications and reactions from PAPs Committee/Jirga on entitlements, compensation, options, alternative developments and relocation timetables; changes in housing and income levels; rehabilitation of squatters; valuation of assets; grievance procedures; disbursement of compensation; and level of satisfaction of PAPs in the post resettlement period.

The IMA will also carry out a post-implementation evaluation of the RAPs about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the RAPs have been attained or not. The benchmark data of socioeconomic survey of severely affected PAPs conducted during the preparation of the RAPs will be used to compare the pre- and post-subproject conditions. The IMA will recommend appropriate supplemental assistance for the PAPs. The outcome of the study will show if the objectives of the RAPs have been attained or not.

The IMA will review the status of the RAP preparation and implementation in the light of the policy, principles, targets, budget and duration that had been laid down in the present RPF. The key tasks during monitoring include:

- Develop specific monitoring indicators for undertaking monitoring and evaluation for RAP preparation and implementation including the compensation payments, community participation, consultation, and disclosure;
- Review results of internal monitoring and verify claims through random checks at the field level to assess whether resettlement objectives have been achieved. Involve the affected people and community groups in assessing the impacts of resettlement for monitoring and evaluation purposes.

- Review and verify the progress of RAP implementation and prepare semi-annual reports for the PIU.
- Evaluate and assess the adequacy of compensation given to the PAPs and the livelihood opportunities and incomes as well as the quality of life of PAPs. Assess the project induced changes in their quality of life.
- Evaluate and assess the adequacy and effectiveness of the consultative process with the PAPs, particularly with vulnerable PAPs, including the adequacy and effectiveness of grievance procedures and legal redress available to the affected parties, and dissemination of information.
- Assess socioeconomic conditions of the PAPs in the post-resettlement period;
- Capture reactions from PAPs on entitlements and compensation;
- Assess changes in housing / business restoration, income restoration, and income levels;
- Analyze and compare the livelihood and living standard of PAPs for pre- and post-project scenarios
- Evaluate and assess the adequacy and effectiveness of GRM; its recording, reporting and processing time and its redressal;
- Evaluate and assess the adequacy and effectiveness of the institutional arrangements, PIU, and Project Consultants in RAP Implementation;
- Assessment of the resettlement efficiency, effectiveness, impact and sustainability for drawing lessons for future resettlement policy formulation and planning.

6.5. Institutional Capacity

6.5.1. Assessment of Institutional Capacity

The GoKP and FATA Secretariat possess prior experience of undertaking WB-funded projects and implementing safeguard instruments including RFPs and RAPs. Most recent among these projects include FATA Rural Livelihood and Community Infrastructure Project (RLCIP), FATA Urban Centers Project (FUCP), KP Southern Area Development Project (SADP), KP Emergency Road Recovery Project (ERRP), and FATA Emergency Rural Road Recovery Project (ERRRP). During these projects, safeguard instruments such as RAPs were prepared and implemented with close supervision and support of WB safeguard team. Similar support will be needed for implementing the present RPF and subsequent RAPs and ARAPs as well. In addition, capacity building of the PIU personnel will also be needed, as described below.

6.5.2. Capacity Building Initiative

Capacity building will be needed to ensure that the RAP objectives, procedures, and roles and responsibilities of various entities are well understood across the board. To this end, trainings will be conducted at PIU level and mainly the RAP Consultants will be responsible for this activity.

The trainings will cover various aspects of RAP preparation and implementation including national regulatory requirements, WB resettlement policies and requirements, steps involved in RAP preparation, roles and responsibilities of various entities involved in RAP implementation, updating inventory of losses, entitlement matrix, valuation of

compensation, public consultation, verifications required to process compensation payments, payment procedures, documentation, and GRM.

The trainings will be provided to all staff of the relevant entities, including PIU, RAP Consultants, M&EC, and others. Various training modules will need to be prepared catering the needs of each entity. Trainings will be an on-going activity and will be carried out regularly preferably at the PIU office.

Most of the trainings will be conducted by the staff of the RAP Consultants however some of the trainings can also be out sourced.

6.6. Grievance Redress Mechanism

An appropriate and accessible GRM will be established to facilitate amicable and timely resolution of complaints and grievances of the stakeholders including communities and PAPs (male and female) regarding all social issues including land acquisition, resettlement/relocation, and livelihood restoration.

Under the GRM, Grievance Redress Committees (GRCs) will be formed comprising of PIUs GM, Social Development/Resettlement Specialist, Assistant Political Agent, District Officer (Revenue), representative of SRMU, RU, representative of supervisory consultants, member of PAPC (male and female) and Naib Tehsil Dar/Patwari (Revenue record keeper). GRC will be formulated at the PIU/SRMU level. The entire system will be completely accessible to women and girls and if needed/appropriate, female PAPC will be formulated to facilitate the grievances redress and complaints of females.

Under the GRM, Complaint Register (CR) will be maintained by the PIU/SRMU at each subproject level. All complaints and grievances will be logged in the register along with details including date of complaint, name and address of complainant, location, and description of complaint. The GRC will then fill additional details in the Register including the corrective action needed, timeframe for corrective action to be taken, and person/project entity responsible for corrective action. Once the corrective action is implemented, the GRC will document the associated details in the Register including the description of action take, date of action completion, views of the complainant regarding the corrective action, and any residual grievance. GRM procedures will be disseminated particularly among the local communities and PAPs. GRM will be gender responsive, culturally appropriate, and readily accessible to the PAPs at no cost and without retribution.

A multi-tier GRM has been proposed for Component II of PTEC project as described below.

- ✦ **Tier 1 (Village/Community level – Local Jirga):** When a grievance arises, the PAP (male or female) may contact directly with the village level committee. The committee may resolve the concern at their door step. If the issue is successfully resolved, no further follow-up is required. The committee will make all efforts to resolve the issue within 10 days of launch of complaint.
- ✦ **Tier 2 (GRC at PIU level):** If no solution can be found at Tier 1, the PAPs (male & female) may enter concern/grievance to the GRC (PIU). The GRC will log the complaint along with relevant details in the community CR. For each complaint, the GRC will investigate and prepare Fact-Finding Report and assess its eligibility, and identify an appropriate solution. Accordingly, the concerns will be redressed/appropriately responded within 15 days. Thus, the GRC will, as appropriate,

instruct the responsible entity to take corrective actions. The GRC will review the responsible entity's response and undertake additional monitoring as needed. During the complaint investigation, the GRC will work in close consultation with the Contractors, the Project Consultants, PIU/ SRMU and RU.

- ⇒ **Tier 3 (FATA Secretariat level):** If still, the complainant is not satisfied/issue not resolved, then GRC will forward the complaint to FATA Secretariat for remedial measures and decisions/grievance (s) will be resolved accordingly. The committee at FATA Secretariat level will consist of PA, PIU, as well as PAPC/PAP representative (Local Jirga) and grievance (s) will be resolved in three weeks.

6.6.1. Grievance Redress System and Procedure

1. Any grievance in written, verbal or digital form shall be recorded by the receiving office in CR which will be maintained at FIU;
2. A serial number will be assigned to it together with the date of receipt;
3. A written acknowledgement to a complainant shall be sent promptly and in any case within three working days;
4. The acknowledgement shall contain the name and designation of the officer who will deal with the grievance; information that necessary action will be taken within the specified working days from the date of receipt of the grievance by the officer concerned; name, address, email address and phone number of the authority which the complainant could approach if the matter is not redressed within the specified timeframe or if s/he is not satisfied with the action taken;
5. If the office receiving the grievance/complaint is not the one designated to consider and dispose it, the receiving office shall forward it to the designated office, but after having complied with the requirements at 1 to 3 above;
6. The office designated to consider the matter shall make every effort to ensure that grievances/appeals are considered and disposed-off within the stipulated period of fifteen days in case of Tier 2 and three weeks in case of Tier 3.
7. If the grievance redress mechanism fails to satisfy the aggrieved affected person at all levels, s/he can submit the case to the appropriate court of law.

6.6.2. Closure of Grievance

The complaint shall be considered as disposed-off and closed when:

- The designated officer/authority has acceded to the request of the complainant fully;
- Where the complainant has indicated acceptance of the response in writing;
- Where the complainant has not responded to the concerned officer/FIU within one month of being intimated about the final decision of the grievance officer on his grievance/complaint;
- Where the complainant fails to attend the proceedings of the concerned officer at FIU/PIU within the stipulated period of the disposal of the complaint; and
- Where the complainant withdraws his/her complaint.

6.6.3. Exclusions

The following allegations/complaints shall not be construed or taken up for consideration and disposal as ‘grievances’:

- Cases involving decisions/policy matters in which the complainant has not been affected directly/indirectly;
- Cases where quasi-judicial procedures are prescribed for deciding matters or cases that are sub judice;
- A grievance which has already been disposed-off by the higher tier of GRM; and
- Complaints of corruption that should be lodged and dealt with separately from this system.

6.7. Documentation and Reporting

The entire process of RAP preparation and implementation will need to be properly documented and reported. This will include consultations, surveys and data collection carried out during RAP preparation, RAP compilation, updated loss inventories, updated PAP lists, compensation payments, consultation records, GRM record, and minutes of site meetings. The RAP Consultants will prepare quarterly reports covering the preparation and implementation progress of each RAP. Similarly, separate reports will be prepared for internal as well as external monitoring discussed in **Section 6.4** above.

The key reports to be prepared by the Project Consultants are listed in **Table 6.1**.

Table 6.1: Reporting Milestones and Timeline

Deliverables	Main Responsibility	Assisted by	Timeline
Inception report including detailed work plan	RAP Consultants	-	Thirty days before mobilization
Monthly Progress Report (covering status of preparation and implementation of RAPs; and GRM data)	RAP Consultants	PIU	Second week of the subsequent month
Quarterly Progress Report (covering status of preparation and implementation of RAPs; and GRM data)	RAP Consultants	PIU	Second week of the subsequent quarter
Updating RAP data - Update list of landowner PAPs based on compensation, inventory of losses	RAP Consultants	PIU	After three months of mobilization
Quarterly Internal Monitoring Report	PIU	-	Second week of the subsequent quarter

Deliverables	Main Responsibility	Assisted by	Timeline
Six-monthly External Monitoring Report	M&EC	PIU	Two weeks after completion of reporting period
Mid Term Review Report - RAP implementation including payments and income restoration/rehabilitation measures, and issues and remedial measures and corrective action plan.	RAP Consultants	PIU	After nine months of mobilization
Project Completion: Evaluation report of RAP Implementation including recommendations for future projects.	RAP Consultants	PIU	One month before contract closing.

6.8. RPF Implementation Schedule

The RPF implementation schedule will generally follow the project cycle (identification, designing/engineering, implementation, monitoring, and completion) for the subprojects to be implemented under the Component II. Since the implementation schedule for these subprojects is not known yet, hence the RPF implementation schedule cannot be prepared at this stage. However, the resettlement planning will need to be started during the subproject identification stage, RAP preparation will need to be undertaken during the design/engineering stage, payment of entitlements will need to be ensured before initiating the civil works, and RAP monitoring will need to be carried out during the design/engineering as well as implementation stages of each subproject.

Any delay in the preparation or implementation of RAP particularly payment of compensation to the PAPs will cause delay in the subproject implementation. It is therefore critically important that during the early stages of subproject designing and immediately after subproject screening for resettlement impacts, a detailed schedule is prepared for resettlement activities (essentially, RAP preparation and implementation) with key activities and milestones and associated timelines. The schedule should also fix responsibilities to implement each activity. PIU will then need to track progress of resettlement activities of each subproject against this schedule and take corrective action in case of slippage in any of its activities. The M&EC will also need to closely monitor progress of resettlement activities of each subproject with the help of this schedule.

As a general rule, a RAP - that has been prepared after carrying out detailed and accurate resettlement impact assessment as well as PAPs identification with required level of consultations and participation of affected communities – will be easy to implement avoiding any unnecessary delays. On the other hand, any discrepancies and or inaccuracies in the RAPs are likely to cause delays and disruption during subproject implementation. Therefore, greatest emphasis should be focused on preparing the RAP of each subproject in accordance with the procedures detailed in this document.

6.9. Budget and Financing for RPF and Land Acquisition and Resettlement Budget

The cost of implementation of the present RPF has been estimated to be **USD 905,000** as presented below. This cost will be covered under Component III of the project.

Table 6.2: Cost Estimates for RPF Implementation

	Description	Unit	Quantity	Unit Rate (USD)	Item Total (USD)	Notes	
1.	SRMU in PIU	Years	5	72,000	360,000	Monthly salary: PKR 200,000 of 3 staff.	
2.	RAP Consultants in the PIU	LS	1		500,000	Monthly salary of four specialists and support staff plus overheads.	
3.	External monitoring	LS	1		-	Already reflected in SMF	
4.	Training programs	LS	1		60,000	One training program per month; about PKR 100,000 per program.	
5.	Total				920,000		
6.	Implementation of RAPs	Not known at this stage.					

RAP Implementation Costing

The detailed cost estimation will be carried out for each RAP/ARAP in line with this RPF. RAP/ARAP preparation and implementation costs, including cost of compensation, various eligible allowances, monitoring, evaluation, grievances redress and contingencies, will be estimated and included in the RAP/ARAP and will be considered an integral part of Project cost. RAP/ARAP will include a budget section indicating (i) unit compensation rates for all affected items and allowances; (ii) methodology followed for the computation of unit compensation rates; and (iii) a cost table for all compensation expenses including administrative costs and contingencies.

Funds for RAP/ARAP budget, including compensation, allowances, and RAP preparation and implementation, will be provided by the Client. Costs for external monitoring tasks can be allocated to funds from WB. In order to ensure that sufficient funds are available for land acquisition and resettlement tasks, the local governments will have to allocate 100 percent of the cost of compensation at replacement cost and expected allowances estimated in each RAP/ARAP plus 5 percent of contingencies before RAP implementation. Client will be responsible for the timely allocation of the funds needed to implement the RAP/ARAP. Allocations will be reviewed twice a year based on the budget requirements indicated in RAP.

The budget for land and crop compensation will be disbursed by implementation agency to the District Collector Office which in turn, through the LAC will disburse the compensation to the PAPs. Compensation for other items such as documented structures (houses, shops, etc.), house restoration, shops, employment, and income loss. will be paid to PAPs by PIU.

To comply with the Operational Policy 4.12 of the World Bank, the payment of land acquisition and resettlement will need to be made prior to commencement of civil works. These costs are expected to vary depending on type and magnitude of impacts. The implementing agency should ensure the timely availability of funds to implement the RAPs/ ARAPs that are to be prepared later (i.e. at final design). Detailed budgets for land acquisition and resettlement will be estimated and presented in RAPs or ARAPs.

7. Consultation and Disclosure

This Chapter describes the process and outcomes of the initial consultations carried out with some stakeholders during preparation of the present RPF. Also provided in this Chapter is a framework for the consultations to be carried out during project implementation. Finally, disclosure requirements for the present RPF and subsequent subproject-specific RAPs are described at the end of the Chapter.

7.1. Objectives of Consultations

Stakeholder consultations (or public consultation) during the (environmental and) social assessment process (including resettlement planning) of development projects is increasingly considered an important notion and requirements which increases the authenticity and acceptability of assessment itself but more importantly can possibly enhance the quality of decisions making as well. Stakeholder consultation/participation during various stages of developmental projects helps improve the decision making and ultimately leads towards sustainable development.

Stakeholder consultation is a two-way process. For stakeholders, the consultation process is an opportunity to obtain project information, to raise issues and concerns, and ask questions. For the project proponents, the consultation process offers opportunity to understand the stakeholders and their concerns about the project, their needs and aspirations, and also their suggestions that can potentially help shape the project. Listening to stakeholder concerns and feedback can be a valuable source of information that can improve project design and outcomes and help the project proponent to identify and control external risks. It can also form the basis for future collaboration and partnerships.

The national/provincial legislation and WB safeguard policies require consultations to be carried out particularly with the affected communities as part of the environmental and social assessment process. The consultations carried out while preparing the present RPF and reported in this Chapter as well as those planned while preparing subproject-specific RAPs meet these requirements.

Specific objectives of the consultation process that has been initiated while preparing the present RPF are listed below.

- developing and maintaining communication links between the project proponents and stakeholders,
- sharing of information with stakeholders on the proposed project and subproject activities and provide key project information to the stakeholders, and to solicit their views on the project and its potential or perceived impacts particularly resettlement impacts,
 - understanding the stakeholders' concerns regarding various aspects of the project, including the existing situation, construction works and the potential impacts of the construction-related activities and operation of the subproject;
 - receiving feedback on social and resettlement impacts and verifying their significance;
 - ensuring that views and concerns of the stakeholders are incorporated into the project design and implementation as much as possible with the objectives of

reducing or offsetting negative impacts and enhancing benefits of the proposed project.

- managing expectations and misconceptions related to the project;
- obtaining local and indigenous knowledge about the people living in the nearby areas of project area;
- interaction with the project affected population and other stakeholders for the collection of primary and secondary data on people and their condition;
- engaging stakeholders for maximization of the project benefits.

7.2. Stakeholder Identification

Stakeholders are considered to be individuals or organizations which have an interest in the proposed project or knowledge that would provide insight into issues or affect decision making related to the proposed project.

On the basis of interest and role criteria there are two types of stakeholders for the proposed project as described below.

7.2.1. Primary Stakeholders

The primary stakeholders (also called direct stakeholders) are the grass-root stakeholders, such as project affected persons and general public including women residing in the project area (for the proposed project: people living in the project area particularly the PAPs). These are the people who are directly exposed to the project's impacts though in most cases they may not be receiving any direct benefit from the project.

7.2.2. Secondary Stakeholders

The secondary stakeholders (also called institutional stakeholders) are the people, department, institutions, and/or organizations that may not be directly affected by the project however they may influence the project and its design. They include project proponent (government of KP and FATA in case of the present project), other concerned departments that may have a role during various phases of the project, regulatory agencies such as Environmental Protection Agency (EPA), other relevant departments such as C&WD, Revenue Department, non-governmental organizations (NGOs), the broader interested communities including academia and journalists, and general public.

7.3. Consultation Process

As stated above, some limited consultations were carried out in the areas where activities under the Component II are likely to take place. A summary of these consultations is provided below.

- Local community of the villages adjacent to the Mohmand Marble City is in favor the construction of MMC and they consider this project to be beneficial to them primarily because it will generate employment opportunities for them. Furthermore, they approve the location of the MMC since the land, which was completely barren and uneven, has now been converted into the industrial estate. The villagers are considering MMC as a new beginning for their future since the

job and business opportunities will help them generate income and raise their living standards.³⁰

- Villagers are looking forward to the construction of economic zone and its associated facilities like construction of local roads, health and education facilities, but at the same time they are also afraid that their land will be occupied and due to construction work they could be disturbed.
- Community is directly affected by issues such as noise and dust generated by construction works.
- People are concerned about the nearby Perchavi Industrial Estate that releases waste effluents into their residential area.
- Currently there is no dry port in the area, but the people are in favor of establishing such a facility in the area.
- Land sale-purchase is carried out through the *Jirga* and a formal agreement on a court paper is signed for this process between the seller and the buyer.

The following villagers participated in the consultations described above. The photographs of consultations are presented in **Annex D**.

Table 7.1: Participants of Consultations

Name	Age	Village	Contact #
Mr. Dil Awais Khan	50	Parato Ghundai	03249800374
Mr. Abdur Rehman	29	Parato Ghundai	03219091371
Mr. Muhammad Siar Khan	30	Dab Kor	03000257069
Mr. Noshad Khan	53	Kashi Kor	03005303321
Mr. Ameer Zada	35	Karera	03249933899
Mr. Ijaz Ahmed	40	FDA Employee	03338779795
Mr. Saleh Muhammad	20	Banglo 1	-
Mr. Nusrat Khan	27	Banglo 1	-
Mr. Afzal Khan	37	Kashi Kor	-
Mr. Syed Akbar	28	Banglo 2	-
Mr. Ghuasuddin	32	Karera	-
Noor Muhammad	38	FDA Employee	03005845805

7.4. Consultation and Participation during Project Implementation

The stakeholder consultation and engagement is an ongoing process and will continue throughout the project's implementation. The ongoing consultation process could be scheduled on a regular basis with the stakeholders including but not limited to the PAPs,

³⁰ The location and nature of subprojects under Component II of PTEC within MMC are still not known, hence this RPF has been prepared instead of RAP or ARAP (see **Section 1.3**).

concerned government departments, local administration and the community representatives from the proposed project area.

The overarching goal of consultations and community engagement is to support and facilitate the project and RAP implementation, to maintain friendly relationships with the communities, to reduce conflicts and project opposition, to effectively address grievances, and to increase project's acceptability. Stakeholder consultations and participation will take place during implementation through the following means:

- GRM at the community level
- Awareness campaign for all stakeholders, and
- Formal interactions through periodic workshops, consultation sessions with wider stakeholders especially institutional ones such as other Government Departments and relevant NGOs.

Periodically, the PIU may also hold formal workshops to consult a wide range of stakeholders, PAPs, members of GRCs, relevant line departments, and NGOs - on project activities, RAP implementation, any outstanding issues, views and concerns of PAPs and communities, and ways and means to address them. Proceedings of these workshops will be recorded and widely disseminated and also included in the QPRs.

See **Table 7.2** for the consultations to be carried out during project implementation.³¹

Table 7.2: Consultation and Participation Framework

Description	Target Stakeholders	Timing	Responsibility
<ul style="list-style-type: none"> • Stakeholder consultations as part of the preparation of each subproject-specific RAP 	<ul style="list-style-type: none"> • Primary stakeholders particularly PA • Secondary stakeholders 	During preparation of each RPA	RAP Consultants
<ul style="list-style-type: none"> • Public awareness campaigns/ scoping sessions to share the RAP with the project affected persons/ communities; and other stakeholders. • Location: various places in project area 	<ul style="list-style-type: none"> • Potential PAPs/ communities within subproject area, general public; and line departments/ agencies. 	Commencing with the preparation of first RAP; to be continued thereafter	PIU/ RAP Consultants
<ul style="list-style-type: none"> • Consultations and participation during verification of resettlement impacts and PAP list • Location: various places in project area 	<ul style="list-style-type: none"> • Potential PAPs; and communities within and around subproject area 	Before implementation of subprojects	PIU and RAP Consultants
<ul style="list-style-type: none"> • Consultations with the PAPs/ communities during each RAP implementation 	<ul style="list-style-type: none"> • PAPs/ Communities at/around subproject area 	Before commencement	PIU and RAP Consultants

³¹ Further guidelines on consultations and participation are available in the OP 4.12.

Description	Target Stakeholders	Timing	Responsibility
<ul style="list-style-type: none"> Location: various places in project area 		of subproject activities.	
<ul style="list-style-type: none"> Establishment of GRM and GRCs Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	Before commencement of subproject activities.	PIU and RAP Consultants
<ul style="list-style-type: none"> Grievance redress Location: various places in project area 	<ul style="list-style-type: none"> PIU staff; consultants; relevant line departments; and PAPs (as needed). 	Subproject implementation Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Focus group meetings to obtain views of stakeholders and ensure their involvement in project design and implementation. Location: various places in project area 	<ul style="list-style-type: none"> Women and girls particularly from the affected communities/PAPs. 	Subproject implementation Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Informal consultations and discussions. Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	Subproject implementation Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Consultations with the PAPs/ communities during internal monitoring Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	Construction Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Fortnightly meetings at project sites Location: Site offices 	<ul style="list-style-type: none"> PIU staff; consultants; and PAPs (as needed). 	Construction Stage	PIU and RAP Consultants
<ul style="list-style-type: none"> Consultations with the PAPs/ Communities during the Independent Monitoring Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	Construction Stage	M&EC
<ul style="list-style-type: none"> Consultation workshops to review RAP implementation, any outstanding issues and grievances, views and concerns of PAPs; and actions needed to address them. 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area; relevant line department; relevant NGOs 	Six-monthly during implementation phase	PIU and RAP Consultants

Description	Target Stakeholders	Timing	Responsibility
<ul style="list-style-type: none"> Location: site offices within project area. 			
<ul style="list-style-type: none"> Consultations with the PAPs/ Communities relating to the leftover tasks Location: various places in project area 	<ul style="list-style-type: none"> PAPs/ Communities at/around subproject area 	After completion of subprojects	PIU and RAP Consultants
<ul style="list-style-type: none"> Consultations with the PAPs/ Communities during the site visits by the World Bank Review Missions. Location: various places in project area. 	<ul style="list-style-type: none"> PIU; project consultants; PAPs 	Construction/ Operation Stage	PIU; WB Mission

Overall communications framework will be a key pathway for consultations. The Project will use a three-pronged communications platform aimed at internal and external communications as shown in the **Figure 7.1** below.

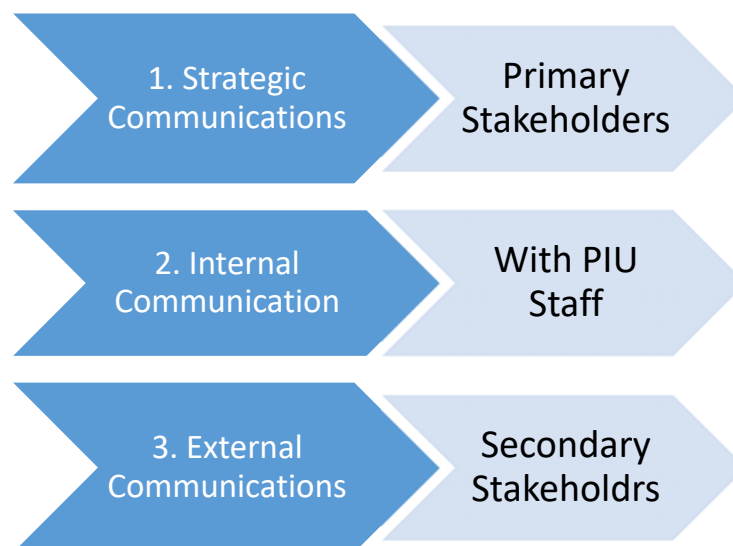


Figure 7.1: Communications Framework and Levels of Engagement

7.5. Disclosure ³²

The present RFP will be disclosed through official websites of GoKP and FATA Secretariat and will also be sent to World Bank for disclosure. Executive summary of the present RFP will be translated in to Urdu and will be disclosed through the above-mentioned websites and will be made available to the affected communities.³³ The Urdu version of RFP executive summary will be made available to PAPs also within the project area at site offices. Once the subproject-specific RAPs are prepared and approved, they will be disclosed in a similar manner.

³² For information on disclosure requirements, please see the OPCS Instructions: Preparation of Investment Project Financing: http://intresources.worldbank.org/INTOPCS/Resources/380831-1360104418611/Instructions_Track_2.pdf.

³³ For information on translation requirements, please see the Translation Framework Guidance: [http://siteresources.worldbank.org/EXTINFODISCLOSURE/Resources/Translationframework](http://siteresources.worldbank.org/EXTINFODISCLOSURE/Resources/Translationframework.pdf) .pdf.

Annex A. Screening Checklist

Citation in main report: **Section 6.2.1.**

Date _____

I. Identification

Name of specialist _____ Name of project _____

Location: _____ District _____ Sub-district _____

Project categorization (A, B or C)³⁴: _____

II. Checklist

Potential Impacts	Yes (Tick)	No (Tick)	Expected	Remarks
Does the sub-project involve any physical construction work, i.e. rehabilitation/ augmentation, reconstruction or new construction? Also specify in "remarks" column.				
Does the sub-project involve impacts on land, crops, trees, assets and people, if "Yes" try to quantify the impacts and check following items. If "No" impacts, explain the situation in "remarks" and move to section 2.				
Potential impacts				
- Land (quantify and describe types of land & in "remarks column").				
- Government or state owned land free of occupation (agriculture or settlement)				
Private land				
- Residential				
- Commercial				
- Agriculture				
- Communal				
- Others (specify in "remarks").				
Land-based assets:				
- Residential structures				
- Commercial structures (specify in "remarks")				
- Agri./farm structures (specify in "remarks")				
- Community structures (specify)				
- Public utilities (specify in "remarks")				
- Others (specify in "remarks")				
Agriculture related impacts				
- Crops and vegetables (specify types and cropping area in "remarks")				
- Trees (specify number and types in "remarks")				
- Others (specify in "remarks")				
Project Affected Persons (PAPs)				
- Number of PAPs				

³⁴ Category A (significant impacts): 200 or more people physically displaced from housing or losing more than 10 percent of their productive assets (income generating). Category B: Impacts not significant, resettlement plan required. Category C: No impact.

Potential Impacts	Yes (Tick)	No (Tick)	Expected	Remarks
○ Males				
○ Females				
- Titled land owners/				
- Customary rights				
- Tenants and sharecroppers				
- Leaseholders				
- Agriculture wage laborers				
- Encroachers and squatters (specify in remarks column)				
- Vulnerable PAPs (e.g. women headed households, minors and aged, orphans, disabled persons and those below the poverty line). Specify the number and vulnerability in "remarks".				
Others (specify in "remarks")				
Section 2				
Are there any tribal people, indigenous or other minority groups affected by land acquisition or project activities; If "Yes" check the following items				
- Indigenous groups (specify groups in "remarks").				
- Describe nature of impacts				
- Tribal People (specify tribes in "remarks") Describe nature of impact				
- Minority groups (specify in "remarks"). Describe nature of impacts				
- Other (specify...)				

Annex B. Structure of Subproject-specific RAPs

Citation in Main Document: **Section 6.2.3.**

The suggested structure of the subproject-specific RAPs is given below. The present RPF will also be carefully reviewed while compiling various Chapters described below.

i) Executive Summary

This non-technical executive summary will provide brief description of the subproject, its resettlement impacts, entitlement and eligibility criteria, estimates of compensation and assistance, and finally results of stakeholder consultations.

ii) Introduction

This Chapter will introduce the RAP and describe its objective, scope, methodology of preparation, and document structure.

iii) Project Description

Provide a description of the subproject to place the RAP in the relevant context. This would include a summary of the background to the overall project and the different components, focusing on Component II. The description will then provide greater details of the specific subproject for which the RAP is being prepared.

iv) Government of Pakistan's Legal and Institutional Guidelines and Requirements:

This Chapter will present a review of the national laws governing land acquisition and other assets. It shall also look at the various land tenure and ownership systems in Pakistan especially in Khyber Pakhtunkhwa Province and in Federally Administered Tribal Areas (FATA), the different legal instruments regarding government and individual acquisitions and resettlement and compensation policies. The RAP shall describe any discrepancies identified in the different legal instruments. The RAP shall also identify the legally mandated institutions associated with these legal instruments and their respective roles. This should be at all levels where implementation of project activities is likely to take place. Particular attention should be given to local institutions and structures at the project site(s). The institutional arrangements will include implementation and monitoring mechanisms that ensure inclusiveness and participation of all affected people, groups and communities.

v) World Bank Safeguards Policies

The RAP shall spell out the World Bank's policy on Involuntary Resettlement (OP 4.12) and assess how this applies in the specific case of Component 2 of the Project. The RAP shall present the gaps between the WB safeguard policy on involuntary resettlement and the Government of Pakistan Legislations. Practical measures and recommendations to bridge the gap between the two sources of legislations should be explored.

vi) Baseline Conditions

This Chapter of the RAP will require an estimated number and types of people likely to be affected or displaced by the subproject activities. The different categories of affected persons may include those who may be losing legal title to land and those without legal title but who use the land for economic activities or for residential purposes. There may be those who may be losing temporary access to property or business sites. These are only examples of those who are likely to be affected through displacement. The RAP will identify the right categories based on the impacts noted or expected. The RAP will present findings from a social and economic survey at the proposed sites for the subproject activities. The survey will cover information on the social structure, economic activities, social characterization of potential affected persons, and the numbers likely to be involved,

the different social institutions, social capital and mechanism for social cohesion, and any legacy issues pertaining to land acquisition and associated activities. This information will serve as critical baseline data for a future monitoring and evaluation activities.

vii) Eligibility Criteria for various Categories of Affected People

The RAP Consultants will determine the method for setting a cut-off date for eligibility for compensation and also as a means for making this information (on cut-off date) reach the wider public. In addition, the RAP Consultants will determine the compensation type for the different categories, losses and affected persons. These may include persons affected by land acquisition, rights of access to resources or properties such as housing, businesses, water sources, loss of livelihood, and loss of cultural properties. The RAP shall take particular note of the multidimensional impact of the subproject and factor that into the analysis especially with regard to different sites and different forms of social impacts. The RAP shall pay particular attention to the different forms of impacts as a result of the nature of the subproject and explore the relevant issues appropriately. The criteria for compensation should be in line with national legal requirements and provisions, World Bank OP 4.12, social sustainability and poverty reduction factors and fairness to avoid conflict and dissatisfaction. The section should also identify and document the unit of compensation that is whether individuals, families or groups and indicate the scenarios or cases for the application of each unit of analysis or a combination of units where appropriate.

viii) Entitlement Matrix for proposed Resettlement and Compensation Policy

Following from the above, the RAP shall develop a matrix that presents the type of compensation that each identified PAP will be entitled to and a rationale as part of the matrix explaining the reasoning behind the entitlement.

ix) Methods for Valuing Affected Assets

This Chapter shall describe in detail the methods used in valuing those assets that will be eligible for compensation either as per national or World Bank policy on involuntary resettlement (OP4.12). This process should capture the methodology for taking of inventory of assets, values assigned and agreement reached with each identified PAP and consider inflationary realities in the final determination of values. The RAP shall include a clear statement alluding to the possibility of revised values should there be major discrepancies between dates for value determination and actual date for payments. Valuing of assets should be a process of engagement with PAPs and not an imposition. The RAP shall demonstrate that the methods used for the exercise in its entirety were fully participatory and acceptable to all stakeholders.

x) Resettlement Impacts

This Chapter will detail the resettlement impacts to be caused by the subproject. The details will include various types of resettlement impacts with quantification; complete list of PAPs will be provided in an annex. The Chapter will also provide overall estimates for the resettlement compensations to be paid to the PAPs; compensation amount for each PAP will be provided in the above-mentioned annex. The Chapter will also include the Livelihood Restoration Plan.

xi) Organizational Arrangements and Procedures for Delivery of Entitlements

The RAP will describe the process for organizational arrangements, responsibilities and roles. It will describe the Project and subproject based institutional structure required for implementing all aspects of the resettlement process. Key staff positions and their roles will be presented (detailed ToRs of positions can be presented in an annex). The RAP will

describe the approval processes for the various stages of the compensation work including the various actors and their roles and responsibilities. This section will also spell out the actual process for delivering the entitlement including the roles for the different agencies and reporting formats.

xii) Consultation with and participation of Affected People

The RAP will provide process and outcome of consultation and participation by the PAPs in the resettlement planning and implementation process until they have received their entitlements. This process should be elaborate and clear to avoid and minimize confusion and suspicion. This could be done according to the different levels of consultations, the expected outcome from the different stages of the consultation and participation approach that would be adopted. The RAP should categorically emphasize the importance of documentation for the consultation and participation process for RAPs. The record of consultation and participation for the RAP should be attached as an annex to the final RAP. As part of this, the consultant will develop a program for the disclosure of the RAP to facilitate the work of the client on this matter. The responsibility for both the disclosure and dissemination however lies with the client.

xiii) Grievance Redress Mechanisms

A GRM should be outlined in this section with clear roles, timelines, procedures and responsibilities. It should also describe the options available to PAPs for grievance redress during the resettlement process. The RAP shall indicate how these would be disseminated and accessible in a way that is clear and comprehensible to the PAPs. The grievance redress mechanism should also have an in-built monitoring mechanism to check on responsiveness to complaints or grievances lodged. The different forms of receiving the complaints should be clearly described together with the different stages of going through the process. In addition, the redress mechanism shall indicate alternatives, in case the proposed mechanism, for any reason, does not respond to all grievances and complaints

xiv) Budget and Funding Arrangements

The RAP should clearly state the sources of funding for its implementation and payment of compensation and assistance, an overall cost estimates for resettlement including for monitoring of the resettlement activities. The financial responsibility of the relevant stakeholders, where applicable, should be categorically stated to avoid ambiguity of source of funds for resettlement activities. These budgets should take into consideration inflationary tendencies.

xv) Monitoring Arrangements

The RAP shall provide an appropriate monitoring framework. Methodologies for monitoring should be spelled out. The roles of different players like the PAPs, civil society, and local government authorities among others, in the implementation and monitoring process will need to be clarified. The RAP shall develop, as part of this, a template for monitoring with indicators based on the main issues identified and spelt out in the RPF.

xvi) Implementation Schedule

To avoid confusion with cut-off dates and other time lines especially because compensation will have to be paid prior to commencement of any civil works, it is important for the RAP to set out implementation schedule for the resettlement.

Annex C. Terms of Reference for the Resettlement Specialist

Citation in Main Document: **Section 6.3.**

The Social and Resettlement Specialist will be responsible for the implementation of the present RPF. The Social and Resettlement Specialist will supervise the RAP consultants to ensure timely preparation of subproject-specific RAPs and their effective implementation. Specifically, the Social/Resettlement Specialist's responsibilities will include:

- Ensure implementation of all aspects of the present RPF, including preparation and implementation of RAPs.
- Supervise and monitor RAP Consultants for all tasks defined in the present RPF particularly preparation and implementation of RAPs
- Review the RAPs prepared by RAP Consultants
- Review the progress reports prepared by RAP Consultants
- Review the monitoring reports prepared by the M&EC.
- Carrying out frequent field visits and conduct monitoring for RAP implementation;
- Identifying and preparing training materials on RAP preparation and implementation;
- Conduct/manage RAP trainings for the PIU personnel;
- Managing the GRM;
- Preparing quarterly progress reports for submission to World Bank and other stakeholders as defined in the RPF and subproject specific RAPs.

The Social and Resettlement Specialist will ensure that the project remains compliant to the following World Bank operational policies and guidelines:

- OP / BP 4.01 Environmental Assessment
- OP / BP 4.12 Involuntary Resettlement
- Bank's Policy on Access to Information

Qualification: The Resettlement Specialist should be Masters in Social Sciences or Resettlement Studies and have experience of five years in preparing and implementation of social and resettlement studies (SIA and RAPs) for the World Bank funded projects.

Annex D. Consultation Photographs

Citation in Main Document: **Section 7.3.**





