

Asian Development Bank

**PAKISTAN - POWER DISTRIBUTION ENHANCEMENT
INVESTMENT PROGRAM**

TRANCHE - II

**Conversion of 66kV Talhar Grid Station to 132kV Level
and Single Circuit 132kV Transmission Line**

LAND ACQUISITION AND RESETTLEMENT PLAN

HYDERABAD ELECTRIC SUPPLY COMPANY (HESCO)

GOVERNMENT OF PAKISTAN

APRIL, 2013

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Abbreviations

ADB	Asian Development Bank
TA	Technical Assistance (Grant for Project preparation)
GM (Dev)	General Manager Development
DHs	Displaced Household
DOR	District Officer Revenues
DPs	Displaced Persons
ESIC	Environmental and Social Impact Cell (HESCO)
ft	foot / feet (3.28 ft = 1 m)
GRC	Grievance Redress Committee
IPDF	Indigenous Peoples Development Framework
IPDP	Indigenous Peoples Development Plan
KAA	KatchiAbadis Act, 1987.
<i>kanal</i>	unit of land measurement: 1 kanal = 20 marlas (8 kanal = 1 acre)
km	kilometer
kV	kilo-Volt
LAA	Land Acquisition Act, 1894 (amended)
LAC	Land Acquisition Collector
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LPC	(District) Land Price Committee
m	meter
<i>marla</i>	smallest unit of land measurement: 1 marla = 272.25 ft ² (= 25.31 m ²)
HESO	Hyderabad Electric Supply Company
MOWP	Ministry of Water and Power
MRM	Management Review Meeting
NGO	Non-governmental organization
PEPCO	Pakistan Electric Power Company
PD	Project Director
PIB	Public Information Booklet
PIC	Project Implementation Consultant
PPTA	Project Preparatory Technical Assistance
RFS	Resettlement field survey
ROW	Right-of-way
Rs.	Pakistani rupees (currency)
TA	Telegraph Act, 1885 (amended 1975)
TL	Transmission Line
TOR	Terms of Reference

Definition of Terms

Displaced persons (DPs)	Displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
Compensation	means payment in cash or kind for an asset to be acquired or affected by a project at replacement cost at current market value.
Cut-off-date	the date after which people will NOT be considered eligible for compensation i.e. they are not included in the list of DHs as defined by the Census. Normally, the cut-off date is the last date of the Resettlement Field Surveys (RFS).
Encroachers	People who extend their occupation beyond the lands they legally own. Usually not entitled to compensation but sometimes provided with assistance if they are found to be vulnerable.
Entitlement	means the range of measures comprising cash or kind compensation, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and relocation which are due to /business restoration which are due to DHs, depending on the type and degree nature of their losses, to restore their social and economic base.
Inventory of losses	means pre-appraisal inventory of assets as a preliminary record of affected/lost assets.
Land acquisition	means the process whereby a person is compelled by a public agency to alienate all or part of the land s/he owns or possesses, to the ownership and possession of that agency, for public purposes, in return for fair compensation.
Non-titled	means those who have no recognizable rights or claims to the land that they are occupying and includes people using private or state land without permission, permit or grant i.e. those people without legal title to land and/or structures occupied or used by them. ADB's policy explicitly states that such people cannot be denied compensation.
Replacement cost	The following (i) fair market value (ii) transaction costs (iii) interest accrued (iv) transitional and restoration costs and (v) other applicable payments if any. Where market conditions are absent or in a formative stage, the borrower/client will consult with the displaced persons and host populations to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region and other related information. The borrower/client will also collect baseline data on housing, and construction materials. Qualified and experienced experts will undertake the valuation of acquired assets in applying method of valuation, depreciation of structures and assets should not be taken into account.
Resettlement Field Survey	means the detailed inventory of losses that is completed after detailed design and marking of project boundaries on the ground, socioeconomic data on the affected households/families, and stakeholder consultations.
Sharecropper	means the same as tenant cultivator or tenant farmer, and is a person who cultivates land they do not own for an agreed proportion of the crop or harvest.
Significant impact	means 200 people or more will experience major impacts, which are defined as; (i) being physically displaced from housing, or (ii) losing ten per cent or more of their productive assets (income generating).
Vulnerable	means any people who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes; (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households (within the meaning given previously); (iv) landless; (v) elderly households with no means of support; (vi) households without security of tenure; (vii) ethnic minorities; and (viii) marginal farmers (with landholdings of five acres or less).

Executive Summary

- 1. The Subproject:** The Conversion of 66 kV Talhar to 132kV level Grid Station and transmission line subproject has been prepared by Hyderabad Electric Supply Company (HESCO) to provide additional power supply to the Talhar and nearby towns. This substation will be linked (T-off) to the existing 132 kV T.M. Khan to Badin Transmission Line by constructing a new 1.00 km long 132kV Single circuit transmission line. New line will start from Darya Khan Jatoi village of Talhar (Sindh Province). This subproject will be completed within Talhar Tehsil of Badin district.
- 2. Resettlement Impacts** The transmission line will traverse through agriculture lands where there is no any village, house (s) or settlement nor any wood or fruit tree exists under the proposed transmission line route. As none of the DHs are to be displaced or lose more than 10% of their productive assets, the resettlement impacts are non-significant.
- 3. Compensation and Rehabilitation:** Compensation and rehabilitation for losses and impacts will be provided in accordance to the entitlement matrix shown in chapter 2. This entitlements matrix contains provisions for the actual impacts of this Subproject, while an umbrella (LARF) entitlements matrix containing provisions for all the potential impacts.
- 4. Cut-off-Date.** Compensation eligibility will be limited by the cut-off date fixed by HESCO is 28rd February 2013 for this Subproject. The DHs (that settle in the affected areas and/or make changes in the land use patterns) after this cut-off-date will not be eligible for compensation. They will, however, be given a three months' notice requesting them to vacate the premises/corridor and dismantle the affected structures and /or other establishments (if any) prior to project implementation.
- 5. Significance of Impact.** The temporary damages of crops under the transmission line will be compensated at 3 tiers at the current market rate assessed in the year of damage. After the construction works, there will be no restriction on use of, or access to the land under the transmission line, and thus, there will be no permanent loss of land. No other private or community structures will be affected. As no assets will be lost permanently, and none of the DHs will be displaced or lose more than 10% of their productive assets, the resettlement impacts will be non-significant.
- 6. Indigenous People Issues.** The ADB's Policy on Indigenous People (IP), as specified in the Indigenous Peoples Planning Framework (IPPF) prepared for ABD MMF program is not triggered, and therefore neither an Indigenous Peoples Plan (IPP) nor special action is required for this subproject.
- 7. Consultation and Disclosure.** The LARF is endorsed by HESCO, and is translated in Urdu language and disclosed to the DPs during the detailed Field Survey. For the preparation of this LARP, HESCO conducted a Reconnaissance Field Survey (RFS) in February 2013 and held a number of consultations with local government agencies, affected households (DHs), as well as wider community groups. Further detailed consultation will be held during revision & implementation of this LARP
- 8. Grievance Mechanism.** There is a process established to deal with any issues or concerns raised on any aspect of the LARP or compensation process. The verbal or written

grievances of DHs will be heard by a project level Grievance Redress Committee (GRC) has been established and will assist HESCO in solving the APs' grievances.

9. Cost of LARP. The compensation costs used herein are based on the unit rates derived through consultations with the affected communities and Revenue Department during RFS in February 2013. The estimated quantities of the affected assets, and their unit prices used, and compensations assessed are provided in Chapter 8 (Tables 8.1 to 8.7). The total cost of implementation of this LARP includes compensations for the affected crops, trees and structures (with administration charge 15% of compensations and 10% contingency).

INTRODUCTION

1.1 Background

The Government of Pakistan has requested for financing from the Asian Development Bank (ADB) regarding implementing the Power Distribution Enhancement Investment Program (the program), to be executed through a Multi-tranche Financial Facility (MFF) divided into four tranches or groups of subprojects. The Pakistan Electric Power Company (PEPCO) the Executing Agency (EA) and the Hyderabad Electric Supply Company (HESCO) is the Implementing Agency (IA). Each of the program's tranches will constitute a project which, in turn, will be divided into several subprojects involving the construction and/or upgrading of the substations and transmission lines.

This Land Acquisition and Resettlement Plan (LARP) has been prepared for **1 km** long 132kV transmission line which will T-off from already existing T.M.Khan to Badin transmission line has been prepared by HESCO to fit the Land Acquisition and Resettlement Framework (LARF) prepared by PEPCO for the program as a whole.

The subproject will comply with the land acquisition and resettlement (LAR)-related conditions that the PMU/PIU and ESIC issuance of notice to proceed for the implementation of the subproject's civil works will be contingent to the full implementation of compensation detailed in this LARP.

According to the ADB, SPS, Resettlement impacts are considered significant if > 200 people are physically displaced from housing or lose 10% or more of their productive assets (income generating) are classified as category "A". **Projects which will create non-significant impacts are classified as category "B"** in both cases, a LARP is prepared. While in this case no households will be affected by this subproject therefore magnitude of impact is not significant because none of the DP is either being relocated or losing any type of his productive asset permanently. The impacts are temporary and any of the AHs will not have to be rehabilitated. Therefore this LARP has been prepared.

The following sections of this LARP detail out (i) the principles and eligibility/ entitlement criteria for compensation or rehabilitation of DHs; (ii) the LARP institutional organization; (iii) the various LARP implementation mechanisms (information disclosure, participation and consultation, grievance redress and, monitoring and evaluation); and, (iv) time schedule and budget.

1.2 Description of the Subproject

HESCO has so far been providing electricity to Talhar town and nearby villages through the existing Talhar 66kV grid station. For the last few years the domestic, commercial, industrial and agricultural power demands of the area has increased rapidly like all other areas of Sindh province and Pakistan. Due to the increased power demand the existing grid station has become overloaded and insufficient requiring enhancement. Therefore, HESCO has now planned to convert Talhar grid station from 66kV to 132kV, which will be linked to the existing 132 kV Tando Muhammad Khan to Badin Transmission Line of **1.00 km**.

There is no land acquisition involved in the conversion of the substation, and therefore there will be neither voluntarily nor involuntarily resettlement involved in this component of the subproject. However, the new transmission line will affect crops only, for which this LARP has been prepared.

The new transmission line is 1.00 km long consisting of 5 No. of towers will be constructed in agriculture fields.

PROJECT COMPENSATION AND REHABILITATION FRAMEWORK

This section provides a summary of Pakistani laws and regulations on land acquisition and resettlement and ADB Policy on Involuntary Resettlement.

2.1 Policy Provisions, Eligibility and Entitlements

Regarding matters of land acquisition relative to subprojects requiring the application of the right of eminent domain, LARPs are regulated by different bodies of law, in particular the Land Acquisition Act (LAA) of 1894 covering land acquisition for stations and towers in urban areas and the Telegraphic Act of 1885 covering the construction of towers in rural areas. The KatchiAbadis Act of 1987 will cover the rehabilitation of affected squatters.

As this specific subproject does not trigger application of any one of the above mentioned laws and only requires compensation for the loss of crops and trees at the current market rate, we assume any explanation of these laws here will be irrelevant. However for confirmation and reference we are putting summaries of these laws in the following sections and the full text is appended as Appendix-I.

2.2 ADB's Safeguard Policy Statement (Involuntary Resettlement Principles)

The *Involuntary Resettlement* principles are summarized below while details are provided in attached in Appendix-1.

- Involuntary resettlement is to be avoided or at least minimized.
- Compensation must ensure the maintenance of the DHs' pre-project living standards.
- Compensation is required for any DH who as a result of a project has their access to, or use of, land restricted.
- DHs should be fully informed and consulted on LAR compensation options.
- DHs' socio-cultural institutions should be supported/ used as much as possible.
- Compensation will be paid with equal consideration of women and men.
- Lack of formal legal land title should not be a hindrance to rehabilitation.
- Particular attention should be paid to households headed by women and other vulnerable groups, such as indigenous people and ethnic minorities, and appropriate assistance should be provided to help them improve their status.
- LAR should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits.
- Compensation/rehabilitation assistance will be paid prior to ground leveling and demolition.

2.3 Comparison of Land Acquisition Act and ADB Resettlement Policy

There exist a considerable difference in the Pakistan Land Acquisition Act and the ADB's Safeguard Policy Statement (SPS), The Appendix 1 attached provides a detailed para wise comparison between these two laws. The section 2.4 below provides remedial measures to bridge the gap between LAA and ADB Resettlement Policy

2.4 Remedial Measures to Bridge the Gap

In principle, Pakistan Law and ADB Policy adhere not only to the objective of DH compensation, but also to that of DH rehabilitation. However, Pakistan law is unclear on how rehabilitation is to be achieved and in practice the provision of rehabilitation is left to ad hoc arrangements of local governments and project proponents. To clarify these issues and reconcile gaps between Pakistani Laws and ADB Policy, the HESCO will comply with the LARF prepared for the program, ensuring compensation at replacement cost for all items affected.

2.5 Land Classification

In terms of application of the LARF prepared for the program, identifying the type of land affected is an important step in determining whether land is to be compensated or not. According to the LARF, the land classification, as well as, land use will be the basis for identifying the affected lands. They are: (i) urban versus rural lands; and, (ii) residential/commercial versus agricultural lands.

Urban or residential/commercial land affected by tower construction both in rural and urban areas will be considered as acquired permanently and land compensation will be paid to the affected households. Agricultural land in rural areas, instead, will not be considered as permanently affected as long as permanent cultivation and access remains possible under a tower and therefore will not be acquired and compensated, for this subproject cultivation under the towers will be possible after the construction. However, when land under a tower become un-accessible agricultural /rural land will be considered as permanently affected and as such acquired and compensated.

For the Project Urban and Rural areas will be identified based board of revenue records. Also for the Project residential, commercial and agricultural plots will be identified based on the classification provided by district revenue records or based on the actual use of the affected land prior to the entitlements cut-off date. In case of discordance between revenue records and actual, land will be treated on the basis of actual land use.

2.6 LAR Approaches for the Subproject

As specified in the LARF, the construction of Towers and Distribution lines will have to be carried based on the exercise of the right of Eminent Domain and will trigger the application of the ADB SPS. Impacts reparation for these items under the subproject will be carried out based on the compensation eligibility and entitlements framework presented in the next sections of this chapter.

2.7 Compensation Eligibility and Entitlements for the Project

Land acquisition tasks under the program, and for this HESCO subproject, will be implemented according to a compensation eligibility and entitlements framework in line with both Pakistan's law/regulation and the ADB SPS. The entitlement matrix for actual resettlement impacts is provided in the following Table 2.2.

Table 2.2 – Compensation Eligibility and Entitlements Matrix

Asset	Specification	Displaced Households	Compensation Entitlements
Crops	Crops affected (damaged/lost)	4 DHs	<u>Tower impacts:</u> Cash compensation at market rate based on actual impact for a maximum of 3 harvests for this subproject 1 harvest is expected to be sufficient) <u>Line corridor stringing:</u> cash compensation at market rate of 1 harvest.
Trees	N/A	NILL	No Trees will be affected
Houses and Structures	N/A	NILL	No houses and structures are removed/affected.

2.8 Eligibility

The AHs entitled to compensations and/or rehabilitation under the program are:

- All DHs affected by temporary use of land;
- All DHs land owners or tenants and sharecroppers whether registered or not affected by crop and tree damage;
- Owners of buildings,

Compensation eligibility will be limited by a cut-off date to be set for each subproject on the stating day of the DH final census and impact assessment. DHs who settle in the affected areas after the cut-off date will not be eligible for compensation.

Cut-off Date: Compensation eligibility is limited by the cut-off date fixed by HESCO on completion of the detailed design, finalization of line route survey and census. The cut-off date for this sub-project is Feb 28, 2013. The DHs (that settle in the affected areas and/or make changes in the land use patterns) after this cut-off-date will not be eligible for compensation. However the cut-off date will be communicated to the DPs during the consultation process. They will be allowed to reuse their salvaged material for free. Forced eviction will only be considered if all other efforts are exhausted.

2.9 Compensation Entitlements

Based on the impact, entitlement provisions for DHs include replacement value compensation for temporary loss of crop and loss of trees. These entitlements are detailed below:

- **Crops:** Cash compensation at current market rate for the harvest actually lost up to 3 harvests being as it may be winter or summer crop (for crops affected by towers); 1 harvest being as it may be summer or winter crop (for crops affected by the line stringing). Compensation will be paid both to the landowners and tenants based on their specific sharecropping agreements (if any).
- **Trees:** Cash compensation shall reflect income replacement for each of the affected fruit and wood tree. However, in this case there are no trees to be removed.
- **Structures:** Cash compensation at current replacement rate (year of damage) for affected structure/other fixed assets free of depreciation or transaction costs. Salvaged materials may be removed by the DPs. However, in this case there are no structures to be removed.

2.10 Assessment of Compensation Unit Values based on Replacement Cost.

The methodology for assessing unit compensation values of different items is as follows:

- Houses/buildings will be valued at replacement value based in the year of damage based on cost of materials, type of construction, labor, transport and other construction costs. No deductions will be applied for depreciation and transaction costs. However, there are no structures to be removed /affected in this case
- Crops will be valued at net market rates at the farm gate for the first year crop. In the eventuality that more than one-year compensation is due to the DHs the crops after the first will be compensated at net market value.
- Wood trees will be valued based on the market rates. However , there are no trees removed in this case

ASSESSMENT OF IMPACTS

3.1 Resettlement Field Survey

The finalized technical design of the subproject is a mandatory pre-requisite for carrying out the resettlement field surveys. The design included the identification and layout of the site and technical drawings showing the grid station and line profile with spotting of bases for towers. Having these pre-requisites, the RFS team undertook fieldwork by actively involving the HESCO's field staff. The impact assessment involved quantification and costing of affected area and assets through a participatory approach consultation with gender-segregated groups of AHs and other community members.

The Reconnaissance Field Survey (RFS) fieldwork was carried out in the subproject area in February 2013. The affected communities are clearly informed that no subsequent changes made in the land use pattern or construction of any structures will be entertained by HESCO for compensation under this subproject.

3.2 Minimization of Impacts

HESCO usually takes all possible steps to safeguard and minimize the likely adverse impacts on local communities in the design and implementation of its power distribution enhancement subprojects, involving construction of grid stations and transmission lines. Accordingly, the following specific actions will be applied to avoid and minimize the likely resettlement impacts (if any) of this subproject Transmission Line:

- Alignment of the transmission line and tower to tower spans are altered slightly to avoid both the compact housing and commercial areas and scattered farm-houses;
- A minimum clearance under the line required is **7 m**, which is maintained for the whole line, even by providing **2 m to 6 m leg** and/or body extension to the towers where required; and,

As a result, the transmission line traverses throughout the open lands, including private agricultural lands where only the agricultural crops will be partially affected by the execution work.

3.3 Impacts of the Subproject

3.3.1 General Description

The subproject involves the construction of 1.00 km long 132 kV Transmission Line. The new transmission line will mostly traverse through private farmlands (**100%**).

No land will be acquired permanently for the transmission line. However, its construction and stringing works will affect crops within the 30m wide safety corridor and the crop damage will be compensated for the whole affected strip of land. A total of 4 farming households (DHs) with a population of 40 persons (DPs) will be affected basically by loss of crops. The extent of overall impacts is shown in the following Table 3.1.

Table 3.1: Overall Resettlement Impacts of Proposed transmission line Subproject

Affected Asset	Item	Unit	Value
Temporarily Affected Farmlands (Loss of Crops)	Length	Km	1.00
	Area	Ha	4
	DHs	No.	Nil
Tree Removal (Loss of Trees)	Fruit Trees	No.	Nil
	Wood Trees	No.	Nil
	All Trees	No.	Nil
	DHs	No.	Nil
Structure: Farm house/animal sheds (Partial Damage)	Animal Sheds	No.	Nil
	DHs	No.	Nil

Compensations for the losses of crops will be provided according to the entitlement matrix already explained in above sections. This entitlement matrix contains provisions for actual impacts of this Subproject.

Major crops grown in the area is Sugarcane and there are notable areas of wheat and vegetable crops. This is the dominant cropping pattern in the subproject area. Thus, the subproject's impact assessment has been made on the basis of Sugarcane, wheat crop losses.

3.3.2 Impacts of Towers/Poles

The **1.00 km** long new 132 kV transmission line will require the construction of a total of **5** towers. No land will be acquired permanently, as none of the new towers will be constructed in an established urban or a developing housing area, and sufficient clearance will be provided under the towers for convenient mobility of tractors to allow the affected farmers to continue cultivating their lands without restriction.

The farmlands under and around towers will, however, be affected temporarily causing loss of crops only during the 3-tier process of tower construction: (i) construction of foundations, (ii) erection of towers, and (iii) stringing of power cables. Thus, it will cause crop losses for three consecutive cropping seasons, namely: (i) *Kharif/summer season 2013, Rice crop-1*; (ii) *Rabi/winter season 2013-14, Wheat crop-1/Sugarcane*; and (iii) *Kharif/summer season 2014, Rice crop-2*. Accordingly, cash compensation will be paid to the AHs for the loss of their crops for three consecutive cropping seasons.

Total 5 towers will be located on private farmlands. This area is assessed to be 900 m² (0.09ha) per tower. Thus, the 5 towers will affect temporarily a total of 0.45 ha of farmlands.

3.3.3 Impacts of Transmission Line (TL Corridor)

The sections of the transmission line in between the towers (TL Corridor) will cause damage to, or loss of, crops during the stringing of power cables. This last activity is usually carried out rapidly, one stretch at a time, and completed in one cropping season, for which one-crop compensation will be paid. Thus, the 1 km long 30m wide corridor will further affect 3 ha of farmland during stringing activity. With a 20% cushion of surrounding fields for movement of machinery the total affected land will be around 3.6 ha. This will include area affected under towers i.e. 0.45ha.

The total affected land from tower erection and stringing will be around 4.05 ha say 4 ha.

3.4 Significance of Impacts

The impact of the temporary effects on land and loss of crops will be minor or non-significant for all DHs. The DHs own relatively large farms with highly fertile land, and none will lose >10% of their total crop. The 30m wide corridor will be used temporarily as a working corridor for installation of the new towers and stringing of the power lines.

Moreover, there are no vulnerable people among DHs; none of the household is headed by a woman. Majority families are living in a joint/extended family system which also assists in providing a safety net against external economic shocks. Finally, the overall impacts on the villages are minor.

SOCIO-ECONOMIC PROFILE OF AFFECTED PEOPLE

4.1 Census of Affected Households

4.1.1 Field Methodology

After obtaining the pre-requisite location maps, field layout and profile drawings, revenue records and in-field assistance of a technical surveyor, intensive fieldwork has been carried out for preparing this LARP. The field methodology includes carrying out of RFS comprising 100% Census of DHs, and community consultation.

4.1.2 General Information on Affected Households

There are 4DHs with a total population of 40 affected people (DPs) impacted by the losses of crops. All of the participants in the Reconnaissance Field Survey (RFS) were the head of household. All the DHs are Muslim and are ethnically Sindhi. The language of all DPs is Sindhi. In terms of social groups, they belong to Khawaja community.

4.1.3 Indigenous People

As there is only one caste and all people are related to each other by inter-marriages land rights and purchase of property does not restrict any person on the basis of caste or religion. Therefore the ADB, SPS principles on indigenous people does not apply.

4.2 Data on Heads of Affected Households

All heads of DHs are male. In terms of marital status all the HDHs are married. In terms of age, all the household heads are between 41 and 60 years.

4.3 Data on Affected Households

4.3.1 General

Households in the subproject area are large, with an average size of 10 people per household, and include joint or extended families. The smallest household is made up of 6 people while the largest household consists of 12 people. 48% of all DPs are female.

4.3.2 Housing

Housing in the villages are mostly of mud walls and thatched roofing, where as some peoples in the subproject area live in the dera which are made of mud with roofs of thatch and bamboo.

4.3.3 Livelihood and Incomes

As all DHs rely on farming for at most part of their income, the tenure of agricultural land is an important factor in terms of security and sustainability of livelihood. Among the DHs, all household heads stated they are land owners. There are no households that rent or lease agricultural land and no squatters. None of the DPs is a share cropper or a lease holder. The average farm size of DHs is medium, with an overall average of 32.56 Acres and a range from 7 Acres to 68 Acres. The primary livelihood sector is agriculture, accounting for 70% and jons & small business counting for remaining 30%. Consequently major part of the income of DHs is from agriculture.

The average monthly income of the residents of these villages is estimated at Rs. 30,000 per month. With average household size of 10 the per capita monthly income is estimated at Rs. 3000 which is US\$ 30 per person per month.

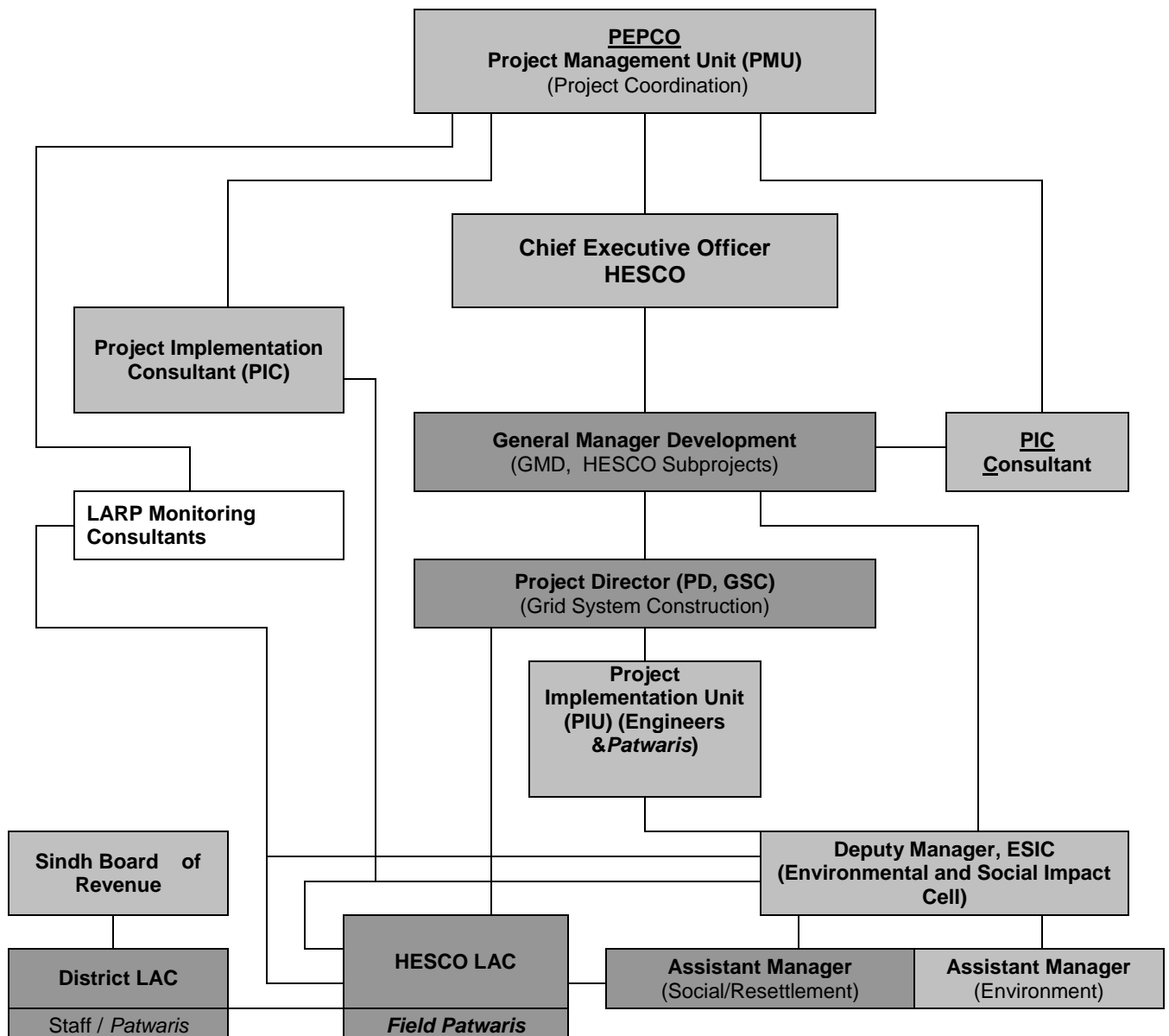
INSTITUTIONAL ARRANGEMENTS

The institutional arrangements of planning and management of the Power Distribution Enhancement Program (or the ADB-funded Power Distribution Enhancement MFF Project) are described as follows in Figure 5.1:

5.1 Pakistan Electric Power Company (PEPCO)

The Executing Agency: The Project Management Unit (PMU), PEPCO is the focal organization based in Lahore responsible for the Power Distribution Enhancement Program, for keeping liaison with the Government of Pakistan and Asian Development Bank (ADB) on behalf of all the DISCOs, and taking care of disbursement of funds (including ADB loan) and technical assistance through Consultants to, and coordination of the Program planning and management activities of the DISCOs.

Figure 5.1: Organization for LARP Planning, Implementation and Monitoring



5.1.1 Distribution Companies (DISCOs)

The DISCOs included in the ADB-funded MFF Project (the Program) are:

- (1) PESCO: Peshawar Electric Supply Company, Peshawar, NWFP;
- (2) IESCO: Islamabad Electric Supply Company, Islamabad;
- (3) GEPCO: Gujranwala Electric Power Company, Gujranwala, Punjab;
- (4) LESCO: Lahore Electric Supply Company, Lahore, Punjab;
- (5) HESCO: Hyderabad Electric Supply Company, Hyderabad, Sindh;
- (6) MEPCO: Multan Electric Power Company, Multan, Punjab;
- (7) QESCO: Quetta Electric Supply Company, Quetta, Baluchistan; and,
- (8) FESCO: Faisalabad Electric Supply Company, Faisalabad Punjab..

5.1.2 Technical Assistance (Consultants)

PMU, PEPCO (EA) provides technical assistance to all the eight DISCOs through the project implementation and supervision Consultant.

5.2 Hyderabad Electric Supply Company (HESCO)

HESCO as the implementing agency (IA) bears the overall responsibility for the preparation, implementation and financing of all tasks set out in this LARP, as well as inter-agency coordination required for the implementation of the Subprojects. As such, it takes care of the preparation/updating and implementation of the LARPs and DDRs, and internal monitoring and evaluation activities. Institutionally, HESCO has three functional divisions, namely, the Planning, Projects and Grid System Construction divisions.

5.2.1 Planning Division

The **Planning Division** is responsible for preparation of PC-1s, for preparation of load forecasts and feeder analysis. The division is responsible for preparation of the Energy Loss Reduction (ELR) work orders. Formerly subproject preparation and keeping liaison with the Government of Pakistan and Asian Development Bank (ADB), as the donor of this MFF Project had also been the responsibility of this division. But lately the activity has been shifted to the Office of General Manager Development.

5.2.2 General Manager Development

The former **Projects Division** has now been named as the **General Manager Development (GMD)**, is responsible for the overall planning, management and coordination of the approved Subprojects. The GMD is currently being assisted by the PPTA Consultants (including the Resettlement Experts responsible for LARP/DDR preparation), in preparing the identified Subprojects in line with the ADB Policies, and obtaining approval from the donor ADB. Its major functions include keeping regular liaison with ADB and relevant departments of the federal, provincial and district governments, preparation, updating and implementation of the LARPs and the related monitoring and evaluation activities.

The HESCO has already established an **Environmental and Social Impacts Cell (ESIC)** to take care of safeguards related activities. It is headed by a Deputy Manager, and assisted by two Assistant Managers, Environmental and Social Safeguards, respectively. He will be responsible for the LARP preparation/updating, implementation and internal monitoring for each Subproject, with assistance from A ESIC's Assistant Manager, Social Safeguards, HESCO LAC and PIC Resettlement Expert.

To support the ESIC, to carry out its responsibilities, a Monitoring Consultant (SMEC) is hired. In addition, a Project Implementation Consultant (PIC) has been hired to support ESIC.

5.2.3 Grid System Construction (GSC) Directorate

The Grid System Construction (GSC) Directorate is responsible for implementing the approved subprojects, including construction/improvement of grid stations and transmission lines. This

office is headed by the Project Director (GSC), comprising Engineers and *Patwaris*, at each Subproject. The PD GSC has an in-house Assistant Land Acquisition Officer (ALAO) to take care of the land acquisition and resettlement activities.

The HESCO LAC, along with field *Patwaris*, in addition to implementation of the LARP activities, will provide in-field assistance to the Resettlement Experts of ESIC. He normally works as an independent entity, but in case of local needs like price updating, grievance redress, etc., may involve the local Union Councils and other leaders at the local levels, and/or the District LACs and Sindh Board of Revenue for addressing broader level matters and resolving permanent Land Acquisition issues (not applicable to this Subproject). He will be provided technical assistance by the Resettlement Experts of ESIC.

5.3 District Government

The district government have jurisdiction for land administration, valuation and acquisition. At the provincial level these functions rest on the Sindh Board of Revenue while at the district level they rest on the District Land Acquisition Collector (District LAC). Within LAC office the *Patwari*(land records clerk), carry out specific roles such as titles identification and verification. But as this Subproject does not require any land acquisition, involvement of District LACs will normally be not required by HESCO LAC.

5.4 Internal Monitoring

Internal monitoring is being carried out by ESIC with support from the project implementing and supervision consultant. Bi-annual monitoring reports are also being submitted to ADB. All monitoring reports will be disclosed on DISCOs website and disclosed to the DPs.

CONSULTATION AND DISCLOSURE

6.1 Consultation Undertaken for the LARP

The reconnaissance consultative process undertaken for the preparation of this LARP on 28th February, 2013 has not only included DHs, but also the local communities of the area. Public consultation was held at Talhar and HESCO office at Talhar. Twelve persons including 2 affected persons took part in the consultation. Special attention was paid to identify the needs of vulnerable groups (such as the poor, women, and elderly), to ensure that their views have been considered in the formulation of the LARP.

Consultation with stakeholders at the different stages of the subproject is required by ADB's Policy on Involuntary Resettlement and as provided for in the LARF. To start with, consultations with the DHs were conducted as part of inventory taking of affected lands and other assets. The communities' and especially the DHs' responses to the proposed subproject were found to be positive.

Along with the participatory RFS, semi-structured discussions aiming at community awareness and consultations regarding the project's likely impacts were also held with the small groups of along the proposed transmission line. During detailed consultation sessions, the cut-off-date for compensation eligibility was communicated to all participants. They were clearly told that no subsequent changes in the land use would be entertained by HESCO.

The affected communities concerns and suggestions have been incorporated into subproject design and will be implemented as an integral part of resettlement activities. The major concerns raised during the consultation included the adequacy and timeliness of compensation payments, as well as safety measures to be taken during the construction of the towers and stringing of the transmission lines. In response, HESCO will make sure that the crop compensation amounts are assessed justly and paid to the DHs, at least fifteen days prior to temporary use of land before starting the civil works.

The local communities' response (awareness, perceptions and preferences) to the transmission line subproject and resettlement related matters are summarized as follows:

- This subproject is necessary under the current local conditions;
- Compensation should be fair and timely;
- Local skilled and unskilled labor should be used wherever possible;
- Damaged lands should be rehabilitated after the construction work is completed;
- Local norms should be honored; and
- Construction work should be completed in time.

6.2 Compensation Options Discussed

In addition to the focus group discussions and consultative meetings described above, the survey included a questionnaire with several questions regarding DHs' preferences for compensation and rehabilitation options. This information has been and will be used to assist in determining the support measures required by DHs. The first compensation priority of all DHs was for cash. When asked why they preferred cash compensation, almost all the DHs stated the reason was to assist with daily living expenses as they will lose their livelihood in the shape of crops. In summary, the compensation and resettlement options discussed and agreed upon during the consultation meetings included:

- Relocation - not applicable;
- Assistance - not applicable;

6.3 LARP Disclosure

An English version of the program's updated LARF has already been uploaded to HESCO & ADB websites for Tranche-I&II. The LARP for tranche- II, after Approval from ADB, will be

placed at HESCO Website. Accordingly a Urdu version of LARP will be made available by PMU, and will be disclosed in the project area.

In line with ADB's public communications policy, this LARP in English will also be posted on the HESCO websites, while its translation in Urdu will be disclosed to the DHs and will also be distributed in the project affected villages and posted on the HESCO websites. In addition, a Public Information Brochure (PIB) in Urdu, summarizing compensation provisions will be sent to all DHs.

GRIEVANCE REDRESS PROCESS

HESCO normally takes care to prevent grievances rather than going through a redress process. This can be obtained through careful LAR design and implementation, by ensuring full participation and consultation with DHs, and by establishing extensive communication and coordination between the community and HESCO. Nevertheless, a grievance mechanism will be made available to allow an AH appealing against any disagreeable decision, practice or activity arising from compensation for the affected land or other assets. DHs will be fully informed of their rights and of the procedures for addressing complaints verbally during consultation meetings and through Public Information Brochures-PIB in Urdu.

A complaints register will be kept at the Project Implementing Unit (PIU) camp offices to be maintained by Sub-Engineer in-charge. HESCO will inform the DHs of the availability of this arrangement through PIB in Urdu. The complaints received will be processed and resolved by the HESCO's Grievance Redressal Committee.

All the finances will move directly from HESCO to the DHs, as price for compensation for the losses of agricultural crops and wood trees. The complaints and grievances will be normally addressed by HESCO locally by involving local leadership and Union Councils, and the involvement District Government/Courts may be required only for the unresolved grievances, as described in Table 7.1 below.

Table 7.1: Grievance Resolution Process

Sr. #	Crops Structures & Tree Compensation Issues	Other Compensation or Project Issues
1	First, complaints resolution will be attempted at village level through the involvement of the ESIC, district government, and/or informal mediators.	First, complaints resolution will be attempted at village level through the involvement of the ESIC, district government, and/or informal mediators.
2	If still unsettled, a grievance can then be lodged to the LAC who has 30 days to decide on the case.	If still unsettled, a grievance can be lodged to the PIU/ESIC, which will have 30 days to respond.
3	If no solution was reached a grievance can be lodged with support of the ESIC to the HESCO. The DH must lodge the complaint within 1 month of lodging the original complaint with the LAC and must produce documents supporting his/her claim. The HESCO will provide the decision within 21 days of registering the complaint. The HESCO decision must be in compliance with this LARF provisions.	If no solution was reached a grievance can be lodged with support of the ESIC to the HESCO. The DH must lodge the complaint within 1 month of lodging the original complaint with the LAC and must produce documents supporting his/her claim. The HESCO will provide the decision within 21 days of registering the complaint. The HESCO decision must be in compliance with this LARF provisions.

Sr. #	Crops Structures & Tree Compensation Issues	Other Compensation or Project Issues
4	Should the grievance redress system fail to satisfy the DH, they can further submit their case to the appropriate court of law as per the process set out in Sections 18 to 22 of the LAA (1894).	Should the grievance redress system fail to satisfy the DH, they can further submit their case to the appropriate court of law as per the process set out in Sections 18 to 22 of the LAA (1894).

BUDGET FOR LAND AND ASSET ACQUISITION

8.1 Basis for Compensation

Compensation for projects requiring land acquisition can often differ between the borrower and ADB (and other providers of official development assistance). To comply with ADB's SPS, Policy on Involuntary Resettlement, rates used to compensate for lost land and assets must be at replacement values, to "at least" restoring people's livelihoods and ensuring that people affected by a project are not left worse off.

According to the project's LARF, replacement cost is the amount of cash or kind needed to replace an asset in its existing or better condition, and is the value determined as compensation for the current market price without depreciation or deduction of the costs of any transaction or for any material salvaged.

8.2 Determining the Rates for Compensation

Based on the foregoing requirements and the LARF provisions, the methodology for assessing unit compensation values of the different items is described as follows:

- Crop compensation was valued at net farm-gate market rates. If additional crops compensation is due it will be calculated at market value minus inputs. Compensation for crops affected by towers is three-crops and for stringing of the lines is for one-crop; and,
- Wood trees were valued based on type, size, and age. DHs are entitled to keep the wood (as salvaged material) without any deductions from the amount of compensation.
- Structures compensation based on replacement value in the year damages occur.

The valuation survey registered current crop and tree sales at local markets and communities. It was based on community consultations, market surveys. The results of the survey are provided in the tables below.

The prices of affected assets given herein are based on the recent market rates.

The subproject area is irrigated agricultural area, with dominant wheat-rice rotation of crops. All the affected farmers grow wheat in the rabbi/winter season and rice in the Kharif/Summer season. Thus, the market prices of both the crops were collected from the affected village and the markets of Hyderabad. For the purpose of compensation average of the price of wheat and Rice is used, and the areas under Wheat and Rice and wood and fruit trees are shown in the tables below.

Table 8.1: Rate/Price for Crops in Subproject Area

Cropping Season	Affected Crop		Average Crop Income per Unit Area (Rs.)		
	No.	Name	Acre (basis)	Hectare	Square Meter
Rabi (Autumn-Winter)	1	Wheat	40,950	101,187	10.11
Kharif (Spring-Summer)	2	Rice	80,000	197,680	19.77
Rabi 2014	3	Sugarcane	288,000	711,648	71.16
Sum Total:			408,950	1,010,515	101.04
<i>Average :</i>			<i>136,317</i>	<i>336,838</i>	<i>33.68</i>

Table 8.2: Assessment of Crop Compensation for Towers

Season	Affected Crops	No. of Towers	Cropped Area Affected (m ²)	Compensation Assessed	
				Rate (Rs./m ²)	Amount (Rs.)
Rabi (Autumn-Winter)	Wheat	5	4500	10.11	45,495
Kharif 2013-14	Rice	5	4500	19.77	88,965
Rabi 2014	Sugarcane	5	4500	71.16	320,220
Total:					454,680

Table 8.3: Assessment of Crop Compensation for Transmission Line

Cropping Season	Affected Crops	TL Corridor Length (m)	Cropped Area (m ²)	Compensation Assessed	
				Rate (Rs./m ²)	Amount (Rs.)
	Rice/ Wheat/ Sugarcane	1000	30000	33.68	1,010,400
Total:					1,010,400

8.3 Budget for the SRP

This LARP will cost Rs. 1.8 million i.e. US\$ 18,720 which is based on the preliminary reconnaissance survey and itemized detailed as given in table 8.6.

Table 8.4:-Estimated Resettlement Cost of Transmission Line (HESCO)

No.	Resettlement Activity	No.	Unit	Rs./Unit	Total Rs.
A.	Compensation:	-	-	-	1,465,080
A.1	Crops:				1,465,080
A.1.1	<i>Towers:</i>				454,680
A.1.2	<i>TL Corridor:</i>		-		1,010,400
B.	Administration Costs (15% of A)	--	--	15 % of 1,465,080	219,762
C.	Subtotal (A+B)	-	-	-	1,684,842
D.	Contingency (10% of C)	-	-	10 % of 1,684,842	168,484
Total Amount (Pak. Rupees):					1,853,326
Total Amount (US Dollars*):					US \$ 18,720

* US\$ 1.00 = Rs. 99.00

9. Implementation Schedule

This LARP has been revised by HESCO based on the market replacement prices/costs of the affected assets after the line route survey finalized and prior to civil works commencing. Final compensations will also be paid to all the DHs at least one month prior to actual mobilization of the Contractor to commence the construction/stringing works for any given section of work based on the construction schedule.

The Civil works contractors will not be issued possession of site for any section of construction/stringing works unless HESCO has (i) satisfactorily completed, in accordance with the approved LARP, and made all compensation payments, (ii) the area required for civil works is free of all encumbrances. The LARP implementation schedule, shown in Table 9.1, envisages the following sequence of activities:

The activities to be considered for preparation of Final LARP implementation schedule (upon contract award):-

- (a) The technical survey, design preparation/finalization and site demarcation of the Subproject. RFS would be undertaken jointly by the Consultant and HESCO;
- (b) LARP up-dation and finalization has been undertaken by the ESIC

9. Implementation Schedule

LARP Activity/Task	Responsibility		Year 2013				Year 2014			
	Primary	Secondary	I	II	III	IV	I	II	III	IV
Updated LARP	HESCO	ESIC/PIC								
Disclosure of Updated LARP										
Information dissemination to Affected People	HESCO	ESIC/PIC								
Initial payment of compensations	HESCO	ESIC								
Submit monitoring report to ADB for clearance	HESCO	ESIC								
Grievance Redress Process	HESCO	ESIC/PIC								
Construction	Temporary possession of land for starting works	Dist. LACs								
	Contractor mobilized to start work	Contractor								
	Commencement of Civil Works	Contractor								

10. Monitoring and Evaluation

Monitoring and Evaluation (M&E) are critical activities in involuntary resettlement caused by various infrastructure development projects, like this Power Distribution Enhancement project. Monitoring involves periodic checking to ascertain whether activities are progressing as per schedule while evaluation is essentially a summing up, at the end of the project, assessment of actual achievement in comparison to those aimed at during the implementation.

The HESCO through ESIC and support from the consultant will be responsible for internal monitoring. Both the Resettlement Specialists will be provided field-types vehicles for field visits and carrying out their respective monitoring and evaluation activities in the Subproject area.

10.1 Internal Monitoring

The LARP includes indicators and benchmarks for achievement of the objectives under the resettlement program, which can be categorized as follows:

- Process indicators, which include project inputs, expenditures, staff deployment;
- Output indicators are results in terms of numbers of DPs compensated for their Affected assets (land, crops and/or trees), and,
- Impact indicators related to the long-term effect of the project on people's lives in the project-Affected area.

The first two types of indicators, related to process and immediate outputs and results, will be monitored internally by ESIC. This information will be collected from the project site and assimilated in the form of a bi-annual progress report to assess the progress and results of LARP implementation, and adjust the work program, where necessary, in case of any delays or problems.

Specific activities under LARP implementation to be monitored are the following:

- Information campaign and consultation with DHs on a continued basis;
- Status of payments of crop and tree compensations;
- Status of restoration of damaged community infrastructure (water pipelines, irrigation channels / watercourses, drains, roads, streets, etc.)
- Grievances redress activities
- Disclosure

The ESIC will be responsible for monitoring the day-to-day resettlement activities of the subproject. The socio-economic census and land acquisition data will provide the necessary benchmark for field level monitoring. A performance data sheet will be developed to monitor the project at the field level. Quarterly reports will be received from the field offices and LAC/GSC will be responsible for overall project level monitoring.

10.2 Resettlement Databank

All information concerning resettlement issues related to land acquisition, socio-economic information of the acquired land; inventory of crop and tree losses by individual DHs, compensation and entitlements and payments will be collected by ESIC and the Consultants through their concerned field offices and computerized by the ESIC, at PMU-HESCO in Hyderabad. This databank will form the basis of information for implementation, monitoring and reporting purposes and facilitate efficient resettlement management.

10.3 Reporting Requirements

The ESIC responsible for supervision and implementation of LARP will prepare bi-annual progress reports on resettlement activities and submit the same to the ADB for review and approval. These internal quarterly monitoring reports will also highlight the bottlenecks and recommend ways and means to improve implementation including corrective action plans (CAPs) as relevant CAPs will be disclosed.

The HESCO through ESIC will be responsible for internal monitoring. The Resettlement Specialist will provide necessary technical assistance in implementing and monitoring the resettlement activities. Bi-annual reports will be forwarded to ADB. All monitoring reports will be disclosed to the DHs and HESCO's website.

Appendix 1: Legal & Policy Framework

Land Acquisition Act, 1894

With the exception of impacts caused by poles and towers for public utilities land acquisition in Pakistan is regulated by the Land Acquisition Act, 1894 (LAA) with its successive amendments is the main law regulating land acquisition for public purpose. The LAA has been variously interpreted by local governments, and some province has augmented the LAA by issuing provincial legislations. The LAA and its Implementation Rules require that following an impacts assessment/valuation effort, land and crops are compensated in cash at market rate to titled landowners and registered land tenants/users, respectively. The LAA mandates that land valuation is to be based on the latest three years average registered land sale rates, though, in several recent cases the median rate over the past year, or even the current rates, have been applied. Due to widespread land under-valuation by the Revenue Department, current market rates are now frequently used with an added 15% Compulsory Acquisition Surcharge as provided in the LAA.

Based on the LAA, only legal owners and tenants registered with the Land Revenue Department or possessing formal lease agreements, are eligible for compensation or livelihood support. The rights of the non-titled are however addressed under the 1986 Punjab Jinnah Abadis for Non-proprietors in Rural Areas Act which recognize to squatters the right to receive rehabilitation in form of a replacement plot. It is to be noted that this right has been sometimes extended in practice to include some form of rehabilitation in cash or in forms different from land. Projects such as Chotiari Dam, Ghazi Barotha Hydropower, and National Highways Improvement, have awarded compensation and assistance to unregistered tenants and other forms of AH (sharecroppers/squatters).

It is also noted that the LAA does not automatically mandate for specific rehabilitation/assistance provisions benefiting the poor, vulnerable groups, or severely affected DPs, nor it automatically provides for rehabilitation of income/livelihood losses or resettlement costs. This however is often undertaken in many projects in form of ad hoc arrangements based on negotiations between a specific EA and the DPs.

As noted above, there are exceptions to the rule and the law is broadly interpreted at provincial level depending on operational requirements, local needs, and socio-economic circumstances. Recourse is often taken to ad hoc arrangements, agreements and understandings for resettlement in difficult situations. The above is also influenced by the fact that an amendment of the LAA has been considered necessary by the Ministry of Environment. Accordingly, a National Resettlement Policy and a Resettlement Ordinance have been drafted to broaden LAA provisions and current practices so as to widen the scope of eligibility, but both these documents are still awaiting Government approval for implementation.

The right to acquire land for public purposes is established when Section 4 of LAA is triggered. The LAA specifies a systematic approach for acquisition and compensation of land and other properties for development projects. It stipulates various sections pertaining to notifications, surveys, acquisition, compensation and apportionment awards, along with disputes resolution, penalties and exemptions. Surveys for land acquisition are to be disclosed to the displaced persons.

SALIENT FEATURES OF PAKISTAN'S LAND ACQUISITION ACT, 1894 (AMENDED)

Key Section	Salient Features of Pakistan's LAA
Section 4	Publication of preliminary notification and power for conducting survey and investigation.
Section 5	Formal notification of land needed for a public purpose.
Section 5A	<i>Providing right of complaints to DPs for review/enquiry of quantities and compensations</i>
Section 6	The Government makes a more formal declaration of intent to acquire land.
Section 7	Land Commissioner shall direct Land Acquisition Collector (LAC) to take order for the acquisition of land.
Section 8	The LAC to direct the land required to be physically marked out, measured and planned.
Section 9	The LAC gives notice to all affected/displaced persons (DPs) that the Government intends to take possession of the land and if they have any claims for compensation then those claims are to be made to him at an appointed time.
Section 10	Delegates power to the LAC to record statements of DPs in the area of land to be acquired or any part thereof as co-proprietor, sub-proprietor, mortgagee, and tenant or otherwise.
Section 11	Enables the LAC 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 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 17	<i>Urgency acquisition whereby land possession is taken prior to payment of compensation</i>
Section 18	In case of dissatisfaction with the award, DPs may request the LAC to refer the case onward to the court for a decision. This does not affect the Government taking possession of the land.
Section 23	The award of compensation for the owners for acquired land is determined at its market value plus 15% in view of the compulsory nature of the acquisition for public purposes.
Section	Relates to the determination of compensation values and interest

Key Section	Salient Features of Pakistan's LAA
28	premium for land acquisition
Section 31	Authorizing LAC, instead of awarding cash compensation in respect of any land, to make any arrangement with DPs having an interest in such land, including grant of other lands in exchange.

Telegraph Act (TA), 1885

In case of impacts caused by poles and towers for public facilities and transmission lines land acquisition is not regulated by the LAA but instead by the Telegraph Act, 1885 (amended in 1975). The TA has been adopted by the DISCOS for the construction and maintenance of transmission/distribution lines. The TA was conceived in the British era for telegraphic poles and then was passed to post-independence Pakistan with a broader application covering also electric poles and towers. The original provision of this law was that the land occupied by telegraph poles was not to be compensated (only crops destroyed during the erection of the pole were compensated). This was based on the logic that a pole, covering only a negligible land area, does not cause substantial impacts to land users. This however is no longer the case once the same provision is extended to transmission towers.

The Telegraph Act (section 11) confers powers on the DISCOS to enter private lands and (section 10) construct/maintain electric poles and lines without the need to acquire the land affected and paying compensation for it. However sub-section 10 (d), provides that a DISCO is required to avoid causing unnecessary damages to the affected land and associated assets. Finally section 16 provides that if any such damage occurs (i.e. damages to crops, irrigation facilities, land quality or land income) The Facility proponent has to provide just compensation for the damages caused.

To accommodate the DPs needs under this Program the DISCOs have agreed to apply the Telegraphic act liberally by: (i) compensating at market rates all land occupied by towers in urban areas; (ii) by avoiding land impacts in rural areas through the use of towers with sufficient vertical clearance to allow the continuation of unrestricted farming and animal grazing, and (iii) if the construction of such towers is impossible, by compensating the land occupied by tower bases land also in rural areas. In addition the DISCOs will compensate by default all crops expected to be affected by the 3 major transmission line (TL) construction phases: (i) land survey and investigation; (ii) construction of tower bases; and (iii) tower erection and stringing of power lines.

The KatchiAbadi Act (KAA) of 1987

The KatchiAbadi Act (KAA) covers the urban squatters rehabilitation rights by providing plots in public resettlement areas or cash assistance. Based on the KAA the DISCOs will provide rehabilitation compensation to eventual squatters/encroachers affected by The Facility.

ADB's Safeguard Policy Statement

The ADB's *Safeguard Policy Statement* is based on the following principles: The SPS requires ADB-assisted projects to (i) avoid resettlement impacts wherever possible; (ii) minimize impacts by exploring project and design alternatives; (iii) enhance, or at least restore, the living standards of DPs in real terms relative to pre-project levels; and (iv) improve the living standards of the poor and other vulnerable groups. It covers both

physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of land acquisition or restriction on land use, or on access to parks and protected areas.

The SPS's key policy principles are stated in Appendix D. The ADB's SPS also states that if there are impacts on indigenous peoples, their identity, dignity, human rights, livelihood systems, and cultural uniqueness must be safeguarded so that they can receive culturally appropriate social and economic benefits. The other relevant policy is ADB's Policy on Gender and Development, which requires all ADB-financed projects to enhance involvement of and benefits to women.

Where there are gaps between Pakistan laws and the ADB's SPS requirements on land acquisition and resettlement, this LARF requires that these gaps are filled by measures to meet the minimum SPS stipulations.

Pakistan Land Acquisition Act and ADB's SPS Gap Filling Measures

Serial No.	ADB Safeguards Policy Principles	Pakistan's Land Acquisition & Telegraph Acts	ADB SPS Involuntary Resettlement Principle Gap filling Measures
1	<p>Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks.</p> <p>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.</p>	No equivalent requirements.	<p>Screened and categorized.</p> <p>Scope defined, social assessment and gender analysis undertaken.</p>
2	<p>Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options.</p>	<p>Land Acquisition Collector (LAC) or District Judge (in case of the Telegraph act) are the final authorities to decide disputes and address complaints</p>	<p>Complaints and grievances are resolved informally through project grievance redress mechanisms</p>

	<p>Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.</p>	<p>regarding quantification and assessment of compensation for the affected lands and other assets.</p>	<p>Consultations conducted, vulnerable groups identified and supported as relevant</p>
3	<p>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,</p>	<p>No equivalent requirements.</p>	<p>Livelihoods restoration is required and allowances are provided.</p> <p>The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs. The</p>

	<p>(iii) prompt compensation at full replacement</p> <p>cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.</p>		<p>calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Where market conditions are absent or in a formative stage, the borrower/client will consult with the displaced persons and host populations to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information. The borrower/client will also collect baseline data on housing, house types, and construction materials. Qualified and experienced experts will undertake the valuation of</p>
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			<p>acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.</p> <p>Provided as relevant.</p>
4	<p>Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.</p>	No equivalent requirements.	Support provided commensurate with impacts
5	Improve the standards of living of the displaced poor and other	No additional support to vulnerable	Vulnerable households identified and

	vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.	households	support provided
6	Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.	Equivalent, negotiation responds to displaced persons requested price but no clear procedure.	Procedures put in place.
7	Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.	Land compensation only for titled landowners or holders of customary rights.	Non-title holders are provided with resettlement and rehabilitation support. Provide with compensation for non-land assets.
8	Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.	No resettlement Plans prepared	Plans prepared and disclosed
9	Disclose a draft	No plans	Plans prepared

	<p>resettlement plan, including documentation of the consultation process in a timely manner, before Project appraisal, in an accessible place and a form and language (s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.</p>	<p>prepared.</p>	<p>and disclosed</p>
10	<p>Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.</p>	<p>No equivalent requirement</p>	<p>Addressed as relevant.</p>
11	<p>Pay compensation and provide other resettlement entitlements before physical or economic displacement.</p> <p>Implement the resettlement plan under close supervision throughout project implementation.</p>	<p>No equivalent requirement</p> <p>The Telegraph act (TA) provides that land for tower construction or under a transmission line is not to be</p>	<p>Compensation payments paid before damages occur. Implementation monitored and reported.</p> <p>Based on ADB policy all land impacts are to be compensated. As urban/residential-</p>

		<p>acquired or compensated as long as the land's permanent productive potential is not affected. Under the TA therefore only temporary impacts on crops are compensated.</p>	<p>commercial land is affected either if a tower provides clearance or not, the TA provisions have been modified for this program so as to address damages that a tower causes to plots with real estate value. For this project urban and commercial or residential plots will be fully acquired and compensated at market rates. The same will happen in the case of rural/agricultural land when the land under a tower is no longer usable or access is restricted.</p>
12	<p>Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.</p>	<p>Monitoring reports not required</p>	<p>Monitoring reports prepared and disclosed</p>

Appendix-2 Public Consultation				
S.No	Name of Participant	Name of Place	Status	DHs
1	Seth MoulaBux	Talhar	Landowner	
2	Mehboob Ali Khawaja	Talhar	Landowner	DH
3	Raja Khan Khawaja	Talhar	Landowner	DH
4	Rizwan Khawaja	Talhar	Landowner	
5	Asif Qureshi	Talhar	Landowner	
6	AslamKhanzada	Talhar	Landowner	
7	Shafique Nijamani	Talhar	Landowner	
8	Ibrahim Ansari	Talhar	Landowner	
9	Ashraf Jamali	Talhar	Landowner	
10	Darya Khan Chandio	Talhar	Laborer	
11	Sikandar Shah	Talhar	Landowner	
12	Sardar Bux Khawaja	Talhar	Landowner	