

Asian Development Bank

PAKISTAN - POWER DISTRIBUTION ENHANCEMENT PROGRAM

TRANCHE - III

**Construction of Double Circuit 132 KV Transmission Line
TANDO MUHAMMAD KHAN– NEW MATLI**

LAND ACQUISITION AND RESETTLEMENT PLAN

HYDERABAD ELECTRIC SUPPLY COMPANY (HESCO)

GOVERNMENT OF PAKISTAN

OCTOBER, 2012

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Abbreviations

ADB	Asian Development Bank
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	Katchi Abadis 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)
HESCO	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.
Poor	means those falling below the official national poverty line (equivalent to 2,350 calories per day) of Rs 848.79 per person per month (2004).
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, house types, and construction materials. Qualified and experienced experts will undertake the valuation of acquired assets in applying method of valuation, depreciation of structures and assets should not be taken into account.
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 132 KV 2 km long Tando Muhammad Khan to New Matli TL to be established by Hyderabad Electric Supply Company (HESCO) to provide additional source of 132 KV power supply to the residents of Tando Muhammad Khan .
- 2. Resettlement Impacts** The transmission line will, however, pass through one village of Tehsil Matli of Badin District and will temporarily affect a total of 6 ha of farmlands area, in terms of crop loss, 15 wood trees. As a result, a total of 12 farming households (DHs) with a total population of 76 (DPs) will be affected. 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 on completion of the final census after the line route survey is finalized. 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. The LARP will be updated once final route survey is approved.** The updated LARP will include, updated compensation at replacement value in the year the damage is caused, updated census, socioeconomic survey and budget.
- 6. 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. The wood and fruit trees will be compensated at the income replacement cost. 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
- 7. Indigenous People Issues.** All 76 DPs are Muslims, speak Sindhi, Punjabi or Urdu Language and live in the same villages. 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.
- 8. Consultation and Disclosure.** The LARF has been prepared and endorsed by HESCO, and will be translated in Urdu language and disclosed to the DPs during the detailed Field Survey. The English version will be uploaded to ADB's website. For the preparation of this LARP, HESCO conducted a Reconnaissance Field Survey (RFS) in August, 2012 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. The LARP will be summarized translated and disclosed.

9. 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) to be established and will assist HESCO in solving the APs' grievances.

10. Cost of LARP. The compensation costs used herein are based on the unit rates derived through consultations with the affected communities and District LAC Badin during RFS in August 2012 and will be updated on finalization of the detailed design. The estimated quantities of the affected assets, and their unit prices used, and compensations assessed are provided in Chapter 8 (Tables 8.1 to 8.5). The total cost of implementation of this LARP includes compensations for the affected crops and trees (with administration charge 15% of compensations and 10% contingency) has been estimated at *Rs. 2.65 million (US \$ 0.028 million)*.

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 2 km long 132kV double circuit transmission line from Tando Muhammad Khan to New Matli *Grid Station*, one of the subprojects proposed to be included in Tranche 3 of ADB MFF Program, and has been prepared by HESCO to fit the Land Acquisition and Resettlement Framework (LARF) prepared 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 the number of households affected by this subproject is 12 DHs with a total population of 76 the 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

The 132KV Transmission Line from Tando Muhammad Khan to New Matli *Grid Station* will provide an additional source of Power supply to the residents of Tando Muhammad Khan town through 132 KV TL instead of previous 66 KV TL. The existing 66 KV Grid Stations is overloaded beyond its capacity. As such there is no chance of further development due to overloading of Distribution System. There is no alternate source of supply in the area except, the proposed Transmission Line. Under Tranche-III, HESCO has proposed construction of 132 KV Transmission Lines.

The proposed Transmission Line will pass through rural area, away from settlement, Schools, Hospitals & Mosques. The new transmission line will affect crops and trees in the total span of 2 km for which this LARP duly covers such compensations.

The new proposed 132 KV Transmission Line will traverse through private farmlands for most of its length except for crossing some Paths and watercourses and will pass through rural area of one villages. The reconnaissance field survey estimated that some 12 DHs, with a total population of 76 persons (DPs), will be affected by temporary disruption to land, and loss of 57.2 ha of crops and 15 trees of which 9 wood and 6 Fruit trees.

Upon the approval of sub-project and after the detailed design a detailed socio economic and compensation assessment survey) will be carried out. During final survey, the alignment will be shifted to minimize social impact of the Transmission Line and the Land Acquisition Resettlement Plan (LARP) will be updated, including an inventory of losses, social impacts and cost estimate will be revised accordingly. The updated LARP will be translated and disclosed.

PROJECT COMPENSATION AND REHABILITATION FRAMEWORK

This section provides a summary of Pakistani laws and regulations on land acquisition and resettlement and ADB SPS, principles 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 Katchi Abadis 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 AHDs' 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.
- DAHDs 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 SPS adhere not only to the objective of DdH 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)	12 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	Trees removed	7 DHs/	Cash compensation shall reflect income replacement

2.8 Eligibility

The DAHs 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;

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 will be limited by the cut-off date fixed by HESCO on completion of the detailed design, finalization of line route survey and census. 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.

2.10 Assessment of Compensation Unit Values based on Replacement Cost.

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

- 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.

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 August 2012. Upon approval of sub-project, detailed field surveys will be carried out by a team comprising of one resettlement Specialist, surveyors and Assistant Directors, Environment and Social Safeguards. Cut-of date will be fixed by HESCO after consultation with displaced persons and the same will be communicated to the DHs / affected communities during the community consultation sessions, and will be further communicated through the Public Information Brochure (PIB) in Urdu. The affected communities will be 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 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,
- Any built-up structures falling in the outer fringes of the total **30 m** RoW are not removed, only those falling directly under the live power cables are removed and relocated..

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

3.3 Impacts of the Subproject

3.3.1 General Description

The subproject involves the construction of 2 km long 132 kV Transmission Line. The new transmission line will mostly traverse through private farmlands (**90%**) and a small section of government uncultivated land (**10%**) like ROWs of canals, roads, etc.

No land will be acquired permanently for the transmission line. However, its construction and stringing works will affect crops and trees within the 30m wide safety corridor and the crop damage will be compensated for the whole affected strip of land. A total of 12 farming

households (DHs) with a population of 76 persons (DPs) will be affected basically by loss of crops and of trees. 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	2
	Area	Ha	7.2
	Dhs	No.	12
Tree Removal (Loss of Trees)	Fruit Trees	No.	6
	Wood Trees	No.	9
	All Trees	No.	15
	Dhs	No.	12

Compensations for the losses of crops and trees 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 are wheat in the Rabi season (winter-spring) and Rice in the Kharif season (summer-autumn). This is the dominant cropping pattern in the subproject area, with minor areas of sugarcane, vegetables and fodder. Thus, the subproject's impact assessment has been made on the basis of wheat and rice crops.

In addition, there are scattered wood trees and a fruit orchard. The affected trees include Shisham (sisso), Kikar (acasia nicolita), Eucalyptus, Poplar, Berri, and Mango's as fruit trees. HESCO's technical survey and design team made utmost efforts to avoid affecting trees, and as a result, only 15 trees will need to be removed from the 30m wide corridor.

The subproject comprises one component, namely, 132kV double circuit transmission line.

3.3.2 Impacts of Towers/Poles

The 2 km long new 132 kV transmission line will require the construction of a total of 7 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 and trees 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 2013-11, Wheat crop-1*; 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.

Almost all 7 towers will be located on private farmlands. For tower installation, crops and trees in an area not only under the tower, but also in a small perimeter surrounding it as the access, working and storage areas, will be affected by the construction works. This area is assessed to be 405 m² (0.0405 ha) per tower. Thus, the 7 towers will affect temporarily a total of 0.28 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 and trees 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. DHs will also be compensated for the loss of their trees that will be affected by the construction of the line located within the 30m wide corridor. Thus, the 20 km long 30m wide corridor will further affect 6 ha of farmland during stringing activity. With a 20% cushion of surrounding fields for movement of machinery the total affected land will be around 7.2 ha. This will include area affected under towers i.e. 0.28 ha.

The total affected land from tower erection and stringing will be around 7.2 ha.

In addition to crop loss, 15 private wood trees also fall within the 30 meter wide corridor of transmission line. All these trees will need to be removed for the construction of the line. All the affected wood trees are scattered and mostly located along the field boundaries.

Compensation for affected trees will be paid for the total removal. The compensation for affected wood trees is based on current market rate of the wood which is assessed on the basis of tree size (height and girth).

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 will be carried out for preparing this LARP. The field methodology will include carrying out of RFS comprising 100% Census of DHs, and community consultation.

4.1.2 General Information on Affected Households

The incoming/outgoing transmission line crosses one village. There are 12 DHs with a total population of 76 affected people (DPs) impacted by the losses of crops or trees

All of the participants in the Reconnaissance Field Survey (RFS) were the head of household. All the DHs are Muslims and are ethnically Sindhi, Punjabi or Urdu speaking.

In terms of social groups, there is one major caste Nizamani. More details on the sub-castes will be determined in the detailed survey.

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 71 % HDHs are married, 25 % are unmarried and 4 % is widowed. In terms of age, 63 % household heads are between 41 and 60 years, 12% are between 61 and 75 years, while 25 % are young, aged between 30 and 40 years.

4.3 Data on Affected Households

4.3.1 General

Households in the subproject area are large, with an average size of 6 people per household, and include joint or extended families. The smallest household is made up of 4 people while the largest household consists of 9 people.

Just over half (51%) 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 least 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 the registered land owners. There are no households that rent or lease agricultural land, no households that claim ownership, 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 27 Acres and a range from 9 Acres to 40 Acres.

The primary livelihood sector is agriculture, accounting for 50% working DPs, followed by 28% in waged employment and 21% in small business, trade or labor.

Major part (50%) of the income of DHs is from agriculture, followed by waged employment (34%) and 26% of household income is from small business, trade or labor.

The average monthly income of the residents of vicinity is estimated at Rs. 23000 per month with average household size of 6.2. The per capita monthly income is estimated at Rs. 3710 per person per month.

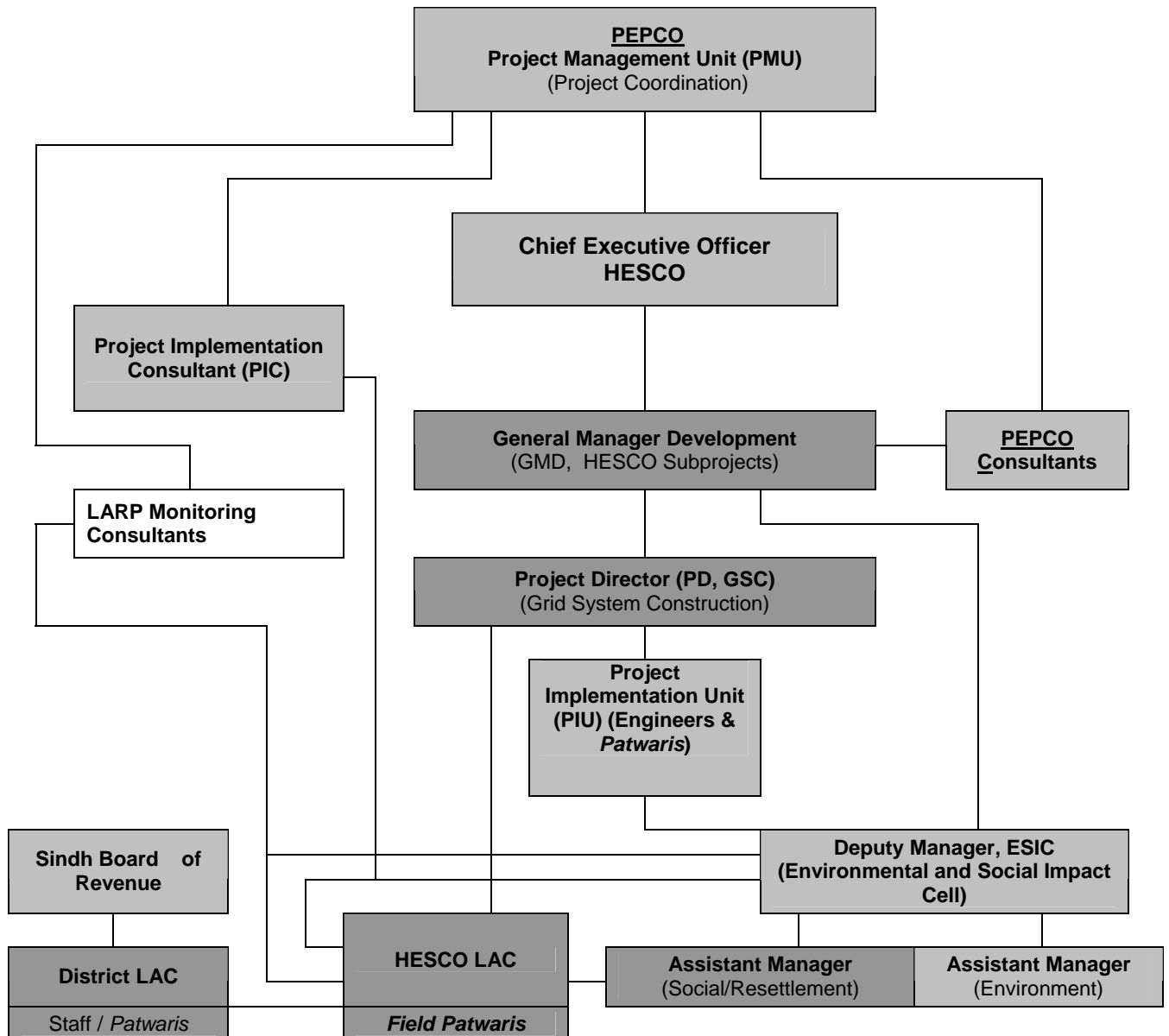
INSTITUTIONAL ARRANGEMENTS

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 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 **Office of 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.

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.

The Scope of Work to be handled by the ESIC far exceeds the physical and professional ability and capabilities of the incumbents. To support the ESIC, to carry out its responsibilities, a Monitoring Consultant is being hired. In addition, a Project Implementation Consultant (IC) will also be hired who will also have social and environmental experts to assist HESCO in revising and updating the LARP as and when required, and then in implementation of the LARP. The Consultants will be provided full logistic support (including office space and field transport) by HESCO.

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)**, and it will establish Project Implementation Units (PIUs), comprising Engineers and *Patwaris*, at the respective towns of each Subproject. The PIU for this Subproject will be established at Matli. In addition, PD GSC has an in-house Land Acquisition Collector (LAC) 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 and PIC in updating, revision and internal monitoring of the LARPs. 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 included in both ESIC and PIC teams.

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 Responsibility of Internal Monitoring

Internal monitoring will be carried out by ESIC with support from the project implementing and supervision consultant. Quarterly monitoring reports will be submitted to ADB. All monitoring reports will be disclosed on DISCOs website, translated 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 October 20, 2012 has not only included DHs, but also the local communities of the area. 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 men and women along the proposed grid station and transmission line. During detailed consultation sessions, the cut-off-date for compensation eligibility will be communicated to all participants. They will be 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 ADB websites for Tranche-I&II. While that of Tranche-III, after Approval from ADB, the same will be placed at ADB, PEPCO & HESCO Web Site. Accordingly 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 ADB and HESCO websites, while its translation in Urdu will be disclosed to the DHs at the PIU at Matli and will also be distributed in the project affected villages and posted on the ADB and 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 a DH 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 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 Assistant Manager, Social Safeguards and LAC by involving the local leadership and Union Councils, and/or the respective District LAC.

Firstly, attempts will be made to redress the grievances through a village level grievance redress committee (GRC) comprised of HESCO's ESIC and LAC or Patwari, and the village notable elders and the concerned Public Representatives of the Union Council. But if the grievances cannot be redressed satisfactorily at the village level, a grievance redressal mechanism will be established at the District level, comprising of District Coordination Officer (Chairman), Chief Engineer, District LAC and HESCO's ESIC and LAC. As a last resort, the aggrieved DHs may seek justice through the Court.

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. #	Crop & 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 AH 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 AH 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.
4	Should the grievance redress system fail to satisfy the AH, 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 AH, 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, 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. The processes for establishing the rates used for this subproject followed the methodology set out in the project's LARF.

The compensation and budget will be revised when the LARP is updated to reflect replacement value in the year of damage.

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.

The valuation survey registered current crop and tree sales at local markets and communities. It was based on community consultations, market surveys and relevant local government agencies, namely the Agriculture, Forestry and Revenue departments. The results of the survey are provided in the tables below. The prices of affected assets given herein are based on the market rates in July 2012 and will be revised according to Project cut-off date.

The rates of rehabilitation of structure (materials and labour) are based on (July 2012) recent similar development in the area and collected from local masons, markets and other community members during the consultation sessions, and discussions with the District LACs. The maximum extent of the likely damages to the structure will be 10%, which will not cause evacuation or relocation of the residents.

Compensation was assessed on the basis of replacement repairing cost of the affected house according to the type of construction as shown in Table 8.1 overleaf.

The subproject area is irrigated agricultural area, with dominant wheat-rice rotation of crops. All the affected farmers grow wheat in the rabi/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 Badin. 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	42,000	103782	10.38
Kharif (Spring-Summer)	2	Cotton	120,000	296520	29.62
Sum Total:			162,000	400302	40.00
<i>Average :</i>			<i>81000</i>	<i>200136</i>	<i>20.00</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.)
Kharif 2013	Cotton -1	7	2835	29.62	83973
Rabi 2013-14	Wheat -1	7	2835	10.38	29427

Total:	113400
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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.)
Kharif 2011	Cotton	2000	60,000	29.63	1,779,000
Total:					1,779,000

Table 8.4: Assessment of Compensation for Affected Wood Trees

Sr. No	Type of Tree	No of Trees	Average Rate (Rs)	Compensation Amount
	Wooden Trees			82,000
1	Shisham (Sisso)	4	15000	60,000
2	Kikar (Acacia nocoita0	2	6500	13,000
3	Eucliptus/poplar	3	3000	9,000
	Fruit			
	Mango	6	20000	120,000
Total:				202,000

8.3 Budget for the SRP

This LARP will cost Rs. 2.65 million i.e. US\$ 0.028 million which is based on the preliminary reconnaissance survey and itemized detailed as given in table 8.5.

Table 8.5:-Estimated Resettlement Cost of Transmission Line (HESCO)

No.	Resettlement Activity	No.	Unit	Rs./Unit	Total Rs.
A.	Compensation:	-	-	-	2,094,400
A.1	Trees:				202,000
A.1.1	Wood Trees:	9	Number	6216	82,000
A.1.2	Fruit Trees:	6	Number	20,000	120,000
A.2	Crops:				1,892,400
A.2.1	Towers:				113,400
A.2.2	TL Corridor:		-		1779,000
B.	Administration Costs (15% of A)	--	--	15 % of 2094400	314160
C.	Subtotal (A+B)	-	-	-	2,408,560
D.	Contingency (10% of D)	-	-	2,408,560	240,856
Total Amount (Pak. Rupees):					2,649,416
Total Amount (US Dollars*):					28,000

* US\$ 1.00 = Rs. 94.60

Implementation Schedule

This LARP will be revised by HESCO based on the then updated 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 PIC resettlement expert will provide assistance to ESIC, HESCO in updating the costs and revising the LARP, including the Time Schedule (if necessary), including, the preparation of internal monitoring reports and timely submission to ADB.

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 will be undertaken by the ESIC and Consultant, on completion of detailed design and finalization of the line route survey

Implementation Schedule

LARP Activity/Task	Responsibility		Year 2012				Year 2013				Year 2014				Year 2015			
	Primary	Secondary	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Preparation																		
	Draft LARP	HESCO			■	■												
	Disclose draft LARP	HESCO			■	■												
	Contract Award	HESCO			■	■												
	Detailed Design	EPC CONTRATOR					■											
	Line route survey approved	HESCO					■											
	Site Demarcation of Affected Lands	HESCO	-															
	Resettlement Field Survey of Transmission Line	HESCO	PIC					■										
	Award of Contract for Civil Works	HESCO	GOVT./ADB								■	■						
	Updated LARP	HESCO	ESIC/PIC								■	■						
	Disclosure of LARP										■	■						
	Information dissemination to Affected People	HESCO	ESIC/PIC									■	■					
	Initial payment of compensations (if section by section)	HESCO	ESIC									■	■					
	Submit monitoring report to ADB for clearance	HESCO	ESIC									■	■					
Grievance Redress Process	HESCO	ESIC/PIC									■	■	■	■	■	■	■	
Construction	Possession of land for starting works	Dist. LACs										■						
	Contractor mobilized to start work	Contractor											■					
	Commencement of Civil Works	Contractor											■	■	■	■	■	

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 quarterly 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 HESCO Headquarters 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 quarterly 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. Quarterly reports will be forwarded to ADB. All monitoring reports will be translated and 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.

A brief description of salient features of different sections of LAA are given in Error! Reference source not found.2. 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.
<i>Section 5A</i>	<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.
<i>Section 17</i>	<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.

Key Section	Salient Features of Pakistan's LAA
Section 28	Relates to the determination of compensation values and interest 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 Katchi Abadi Act (KAA) of 1987

The Katchi Abadi 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	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.	Screened and categorized. Scope defined, social assessment and gender analysis undertaken.
2	Carry out meaningful consultations with affected persons, host communities, and concerned	Land Acquisition Collector (LAC) or District Judge (in case of the Telegraph act) are	Complaints and grievances are resolved informally through project

	<p>nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. 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>the final authorities to decide disputes and address complaints regarding quantification and assessment of compensation for the affected lands and other assets.</p>	<p>grievance redress mechanisms</p> <p>Consultations conducted, vulnerable groups identified and supported as relevant</p>
<p>3</p>	<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</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</p>

	<p>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.</p>		<p>and other assets will be calculated at full replacement costs. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. 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.</p>
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			<p>Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.</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</p>	No equivalent requirements.	Support provided commensurate with impacts

	required.		
5	Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.	No additional support to vulnerable households	Vulnerable households identified and 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	No resettlement Plans prepared	Plans prepared and disclosed

	implementation schedule.		
9	Disclose a draft 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.	No plans prepared.	Plans prepared and disclosed
10	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.	No equivalent requirement	Addressed as relevant.
11	Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.	No equivalent requirement The Telegraph act (TA) provides that land for tower	Compensation payments paid before damages occur. Implementation monitored and reported. Based on ADB

		<p>construction or under a transmission line is not to be 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>policy all land impacts are to be compensated. As urban/residential-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 Tando Muhmmad Khan to New Matli
October 16,2012**

S. No.	Name of Participant	Name of Village	Status	DHs
1	Jamal Khan	New Matli	Landowner	DHs
2	Sian Dino	New Matli	Laborer	-
3	A Rehman	New Matli	Landowner	-
4	Mir Latif Jahejo	Tando Muhmmad Khan	Landowner	-
5	Doongro Mal	Tando Muhmmad Khan	Landowner	-
6	Javed Jahejo	Tando Muhmmad Khan	Landowner	DHs