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Asian Development Bank's Involuntary Resettlement Safeguards

Project Case Studies in India



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ABBREVIATIONS

ADB	–	Asian Development Bank
AOV	–	average output value
AP	–	affected person
BME	–	benefit monitoring and evaluation
CMC	–	Calcutta Municipal Corporation
CMP	–	Corridor Management Plan
CP	–	contract package
CRO	–	country resettlement office
EA	–	executing agency
EPA	–	Environmental preservation area
ESPP	–	environmental and social policy and procedures
GRC	–	grievance redressal committee
IP	–	indigenous peoples
IR	–	involuntary resettlement
IWD	–	Irrigation and Waterways Department
Km	–	kilometer
kWh	–	kilowatt-hour
LARP	–	Land Acquisition and Resettlement Plan
LMRO	–	Longyan Municipal Resettlement Office
LTH	–	legal title holder
NGO	–	nongovernment organization
NH	–	national highway
NHA	–	National Housing Authority
NHAI	–	National Highways Authority India
OEM	–	operations evaluation mission
PCR	–	project completion report
PHED	–	Public Health Engineering Department
PIU	–	project implementation unit
PMU	–	project management unit
POWERGRID	–	PowerGrid Corporation of India Limited
PRC	–	People's Republic of China
PRSF	–	post-relocation support fund
PWRD	–	Public Works Road Department
RF	–	resettlement framework
RM	–	resident mission
ROW	–	right-of-way
RP	–	resettlement plan
RPF	–	resettlement policy framework
RUIDP	–	Rajasthan Urban Infrastructure Development Project
SAMP	–	social assessment and management plan
SBE	–	small business enterprise
SDU	–	Social Development Unit
SES	–	special evaluation study
TA	–	technical assistance
VAMBAY	–	Valmiki Ambedkar Malin Bastee Awas Yojna
WBPRWD	–	West Bengal Public Works Road Development

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This volume of case studies was prepared in the context of the Special Evaluation Study of Involuntary Resettlement Safeguards. The team leader for this evaluation was Walter Kolkma, Senior Evaluation Specialist at the Operations Evaluation Department (OED). He also took most of the photos. The case studies are based on (i) field visits of the Team Leader and interviews he conducted, (ii) existing documentation on the projects, and (iii) reports of field studies conducted by consultants, referred to in the introduction. The consultants had no conflicts of interest with regard to the projects they studied. The views expressed in the case studies do not necessarily reflect the views and policies of the Asian Development Bank, or its Board of Governors or the governments they represent. Reactions are welcome and will be posted on OED's website.

The Asian Development Bank does not guarantee the accuracy of the data included in this report and accepts no responsibility for any consequences of their use. Please send your comments to wkolkma@adb.org.

A. INTRODUCTION

1. The case studies presented in this report were conducted in preparation of the special evaluation study (SES)¹ of the Asian Development Bank's (ADB) 1995 Policy on Involuntary Resettlement (IR)². This SES was conducted by the Operations Evaluation Department (OED) upon the request of the Development Effectiveness Committee (DEC) of ADB's Board of Directors. The evaluation of the IR Policy was carried out within a limited time frame so that it could contribute to the scheduled review process leading to the update of ADB's safeguard policies in 2008.³ It was completed September 2006.

2. The evaluation of the IR policy sought to (i) provide an overview of the scale and nature of IR in ADB operations; (ii) examine the extent of application of the IR policy; (iii) review trends; (iv) make pertinent comparisons with other systems; and (v) provide OED's assessment of the policy's relevance, effectiveness, efficiency, and sustainability within the context of past experience, changing circumstances, and new demands. The SES looked into the level of compliance of projects with the IR policy; the policy's probable impact on affected persons (APs) and on institutional development as well as into incremental costs and transaction costs for ADB and its clients.

3. Other than the project case studies reported in this volume, the analysis for the SES was supported by (i) information drawn from ADB's internal databases and project documents; (ii) interviews with relevant ADB staff; (iii) questionnaire surveys; (iv) country case studies, and (v) project case studies in the People's Republic of China (PRC) and the Philippines. The latter case studies are reported in companion volumes to this volume. The project case studies mostly concerned ongoing projects. This was done to gain insight into the effects of the newer IR procedures and practices. Most projects selected were approved or implemented in a period of transition for ADB, when social safeguard issues were getting more attention than before. This has influenced the finding of uneven application in many cases.

I. PROJECT CASE STUDIES

4. The project case studies involved visits to three countries: PRC, India, and the Philippines. The country choice was based on numbers of ADB-supported projects with past and present resettlement activity. The three countries covered more than 50% of all ADB projects with resettlement planning and 80% of all APs.

5. Sixteen projects were chosen as case studies for the IR policy evaluation: apart from five studied in India, eight were studied in the PRC, and three in the Philippines. The case studies included resettlement operations in both completed and ongoing projects. The studies were undertaken in the period March-June 2006. The projects covered the following sectors: (i) transport; (ii) energy; (iii) urban (i.e. water supply and sanitation and multisector projects); and (iv) agriculture and natural resources. Basic data regarding the five projects studied in India is in Table 1 on the next page.

¹ ADB. 2006. Special Evaluation Study. Involuntary Resettlement Safeguards. Manila. Available: <http://www.adb.org/Documents/SES/REG/sst-reg-2006-14/SES-on-IR.asp>

² ADB. 1995. *Involuntary Resettlement*. Manila.

³ Available: <http://www.adb.org/Safeguards/about.asp>

Table 1: Basic Data Project Case Studies and Status of Affected People, 2006

Loan No. and Country	Year of Approval	Project Title	Project Cost at Appraisal (\$ million)	Loan Amount (\$ million)	APs at Appraisal (Number)	APs at Completion (Number)
1405-IND	1995	Power Transmission (Sector)	527.4	275.0	—	435
1647-IND	1998	Rajasthan Urban Infrastructure Development	362.0	250.0	4,663	Not complete*
1813-IND	2000	Kolkata Environmental Improvement	360.0	250.0	11,000	Not complete*
1839-IND	2001	Western Transport Corridor	378.0	240.0	24,012	Not complete*
1870-IND	2001	West Bengal Corridor Development	323.0	210.0	11,304	Not complete*

AP = affected person, IND = India, NA = not available, No. = number.

Sources: Regional Sustainable Development Department Involuntary Resettlement database; various reports and recommendations of the President/resettlement plans; various project completion reports; and loans, technical assistance, grants, and equity approvals database.

* not complete at the time of the field investigations (generally between March and June 2006).

6. The methodology for the case studies depended on the nature of the resettlement operations. The analysis was conducted by international and local consultants and was generally based on (i) study of project documents; (ii) interviews with project staff; (iii) interviews with officials of executing/implementing agencies and line agencies involved in the projects' implementation; (iv) focus group discussions with APs; (v) rapid field assessments; and (vi) limited field questionnaire surveys (about 30-60 questionnaires per project). Questionnaires were used to gain insight on the actual resettlement implementation process; compensation levels, relocation and livelihood rehabilitation assistance provided; as well as the satisfaction levels of APs with the whole process. The results of the questionnaire surveys were used to validate earlier findings in PCRs and resettlement status reports, as well as assess the quality of preparation and implementation and obtain first hand data on results of the policies in projects. The synthesis of the findings of the case studies is in the SES, chapter 5, and its appendixes 20 and 21 (footnote 1). Further methodological notes are in Supplementary Appendix A of the SES.

7. The project case studies in India were conducted by Aqueel Khan and Arup Khan; each completed three (one was used later only for the evaluation on indigenous peoples safeguards). These consultants wrote draft reports, which were later summarized and standardized in terms of their format. Sometimes they were complemented by additional information gathered.

B. LOAN 1405-IND: POWER TRANSMISSION (SECTOR) PROJECT⁴

1. Background

8. The objectives of the Power Transmission (Sector) Project were to strengthen the transmission systems of Power Grid Corporation of India Limited (POWERGRID) in order to reduce system losses and allow efficient utilization of existing and planned power plants by (i) supporting the development of the northeastern regional power grid, (ii) interconnecting the southern and eastern regional power grids, (iii) constructing transmission facilities for power evacuation from new and expanded power plants, and (iv) providing consulting services. The key components/subprojects of the Project were: (i) the augmentation of the Northeastern Transmission System; (ii) Agartala transmission system; (iii) Kopili Stage I extension transmission system; (iv) Northeastern Regional System Coordination Center; (v) Vindhychal Stage II transmission system; (vi) East-South Interconnector; (vii) grid strengthening schemes for the Eastern Region; (viii) Unchahar Stage II transmission system; and (ix) consulting services.

9. The Project was estimated to cost \$597.01 million for which the Asian Development Bank (ADB) approved a loan of \$275.0 million in November 1995 to finance 52% of the foreign exchange costs. Total actual project expenditure was \$419.80 million, comprising \$251.98 million in foreign currency from the ADB loan and \$167.82 million equivalent in local currency from POWERGRID's funds. ADB's share of financing increased from 46% to 59%, despite a decrease in the loan amount from \$275.00 million to \$251.98 million.⁵

10. Overall responsibility for project implementation was with Director (Projects) of POWERGRID, who was assisted by the corporate monitoring group. Construction supervision of each subproject was under the respective regions headed by Executive Directors, who were assisted by the planning, engineering, finance, and personnel departments at regional headquarters. At appraisal, all the subprojects were estimated to be completed by June 2000. As all the subprojects could not be completed before the loan closing date of 31 March 2001, the date was extended to 31 March 2003 and, to enable disbursements under the loan account to be completed, kept open up to 9 July 2003.

11. A project case study was conducted in early 2006 in relation to the Special Evaluation Study (SES) on Social Safeguards to assess the application of ADB's Social Safeguards Policy on the Project. Due to time constraints, the case study only focused on two of the subprojects (i.e., Grid Strengthening Scheme for North Bengal–Siliguri Substation and Unchahar Stage II Transmission System).

⁴ The data for this summary are drawn from the project case study conducted for this special evaluation study (SES) from March to April 2006 by Dr Aqueel Khan, Staff Consultant. Complementary data is drawn from: (i) the Project Completion Report (ADB. 2005. *Project Completion Report on the Power Transmission (Sector) Project in the Republic of India*. Manila); and (ii) the Project's Report and Recommendation of the President (ADB. 1995. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of India for the Power Transmission [Sector] Project*. Manila).

⁵ Cost savings of \$177.21 million equivalent (29.7%) consisted of \$86.36 million in foreign currency and \$90.85 million equivalent in local currency. A total of \$23.02 in savings from the ADB loan was cancelled in three stages.

2. Scope of Land Acquisition and Resettlement

12. It was envisaged at appraisal that the proposed subprojects would not have a direct adverse effect on the population. Some land would be required for the substations but acquisition would not displace any people and the rights-of-way for new transmission lines were generally over farmland or scrub land in remote areas.

13. At completion, the Project had built seven new substations (four 400-kilovolt substations, one 220-kilovolt substation, and two 132-kilovolt substations) for which land was acquired. Land for all the seven substations was acquired in accordance with the Land Acquisition Act of 1894 (amended in 1984). In 1998, POWERGRID finalized its environmental and social policy and procedures⁶ (ESPP) and implemented the applicable provisions of the ESPP in the subprojects where construction activities were still under process. The ESPP, which was substantially consistent with ADB's social and environment policies, embodied POWERGRID's approach and commitment to deal with environmental and social issues relating to its transmission projects. Under the ESPP, rehabilitation action plans and the environmental assessment management plan were prepared and implemented in the first 12 months of the project construction period and were monitored at the corporate level.

14. A total of 172 hectares of land was acquired for the Project, consisting of 31 hectares of government land and 141 hectares of private land. This affected a total of 435 people, but they did not require relocation. In the case of the 132-kilovolt substations at Kleirahat and Badarpur under the augmentation of Northeastern transmission system subproject, the land acquisition did not entail any resettlement as 2 hectares of land were acquired from a single private owner at Kleirahat and 11 hectares of government land was acquired at Badarpur. A total of 159 hectares of land was acquired for the remaining five substations (two under Vindhychal transmission system, two under the Eastern region strengthening scheme, and one under Unchahar transmission system), which involved 20 hectares of government land and 139 hectares of private land. According to POWERGRID, the acquisition of government land did not displace any users that had no title to the land.

3. Compensation

15. It was indicated at appraisal that all required land for the Project would be bought by POWERGRID based on the market value. In addition, POWERGRID would pay market value for crops destroyed during construction, and farmers were allowed to continue using the land under the transmission lines after they were built. As per the law, no payment needs to be made for rights-of-way.

16. ADB's Involuntary Resettlement (IR) Policy stipulated that compensation of affected persons (APs) would be at replacement value of the asset lost. However, the laws and regulation in India, particularly the Land Acquisition Act, allowed compensation at market value which was decided based on the asset registration value and was generally lower than the replacement value.

⁶ The PCR reported that POWERGRID was the first agency in India to adopt the ESPP in 1998 with guidance from ADB and the World Bank. The ESPP is currently being revised with inputs from public consultations.

17. According to the project completion report (PCR), a total of Rs41.80 million (about \$0.95 million equivalent) in compensation for private land was paid to individual landowners, including compensation for trees, crops, and structures as fixed by the respective district administration in a time-bound manner as per the provisions of the Land Acquisition Act. POWERGRID indicated that the structures involved were mainly temporary cattle sheds and other temporary storage sheds. According to the PCR, the compensation paid by POWERGRID normally exceeded the present commercial market value, as an attempt was made to award replacement value.

4. Rehabilitation Measures

18. At appraisal and during project implementation, POWERGRID followed Government rules and regulations on land acquisition and rehabilitation. The social and rehabilitation measures undertaken by POWERGRID are in Table 1, details of which were provided in the succeeding discussion.

Table 1: Rehabilitation Measures Undertaken by POWERGRID

Goal		Specific Steps Taken	
A.	Special care in route selection of transmission lines	(i)	Route of transmission lines did not entail rehabilitation of affected persons.
		(ii)	Route of transmission lines selected will not threaten the survival of any communities, and did not threaten the survival of common property resources (CPR) such as playgrounds, parks, schools, markets, and monuments, etc
B.	Adequate compensation for agricultural lands	(i)	Proper measures were taken to ensure that impact on agricultural land was restricted to construction phase only.
		(ii)	Satisfactory steps were taken to adequately compensate the damage to crops and trees during construction by determining the amount of compensation in consultation with district authorities and its timely disbursement.
C.	Compensation	(i)	Several persons were given temporary employment (during construction) and are still being engaged in the project-related works through contractors.
		(ii)	Proper procedures were adopted for satisfactory determination of compensation for land acquired and the amount was disbursed on time.
		(iii)	Loss of CPR was adequately compensated wherever applicable.
		(iv)	Social and community development schemes (schools, roads, clinics, etc) were contracted.
D.	Robust institutional arrangements for monitoring of environmental mitigation and rehabilitation measures	(i)	The environment management department in the corporate office laid down a policy framework for environmental mitigation and rehabilitation measures and environmental officers were appointed at regional headquarters to monitor the implementation.
		(ii)	Social assessment and rehabilitation plans were prepared and approved for all subprojects with project-affected persons (PAPs).
		(iii)	Grievance redressal committees (GRC) have been formed at some of the subprojects.

Source: ADB. 2005. *Project Completion Report on the Power Transmission (Sector) Project in India*. Manila.

19. A total of 56 hectares of land were acquired for the subproject on Grid Strengthening for the Eastern Region, of which 24 hectares of private land were acquired for the North Bengal-Siliguri Substation which affected 40 persons. Twenty of these APs were relatively well-to-do persons living near Siliguri town and the remaining 20 APs were farmers living in the adjacent villages, but none were living below the poverty line. According to the results of the social impact survey done for the PCR, the average income of APs had gone up because of the

increased economic activities in the area after the Project was implemented. The PCR lists the following rehabilitation measures undertaken for the APs: (i) monetary assistance to 34 APs, ranging from \$50 to \$300 in proportion to land lost, family size, and income levels, (ii) assistance to a local primary school to expand its infrastructure, (iii) installation of two hand-pumps (for drawing water) at common places in the villages being inhabited by the APs, (iv) industrial training for one child each of four affected families, (v) employment of APs through contractors, and (vi) encouragement for APs to undertake petty-contract work from main contractors of POWERGRID. In addition, 32 hectares of private land were acquired from 82 APs for the North Bihar-Purnea substation. The rehabilitation measures undertaken included: (i) construction of roads in lieu of village road acquired, (ii) strengthening of the access road from national highway and the old village road, (iii) construction of 12 toilets and three hand-pumps in the village inhabited by some APs, (iv) guidance to 32 APs who formed a civil construction company which undertook several subcontracts from POWERGRID's main contractors, (v) hiring by POWERGRID of the tractors of six APs for construction work purchased with their land compensation money, (vi) engagement of APs by POWERGRID for small maintenance jobs and horticulture work in the substation, and (vii) engagement of 15 APs through a housekeeping contractor in the substation.

20. The Vindhyachal Stage II subproject involved the acquisition of 99 hectares of government and private land for the two substations under the scheme. The Satna substation acquired 48 hectares of private land and 14 hectares of government land in 1996. Rehabilitation measures were undertaken for the 62 APs affected by the acquisition of private land for the Satna substation that included: (i) permanent employment for five persons from among the most vulnerable APs, (ii) employment for about 55 persons through maintenance contractors, (iii) engagement of about 50 persons as daily rate workers through construction contractors of POWERGRID for various construction activities which are still ongoing, (iv) construction of 1.2 kilometers of village road connecting to the main road, (v) adding a room and toilet to the primary school in the village, and (vi) training of women in tailoring and distribution of nine sewing machines. On the other hand, the Raipur substation involved the acquisition of 31 hectares of private land and 6 hectares of government land. The following measures were undertaken to assist the APs of the land acquisition: (i) permanent employment was offered to 5 of the most vulnerable APs, (ii) employment was offered to about 55 persons through maintenance contractors, (iii) about 50 persons were engaged as daily rate workers through construction contractors of POWERGRID for various construction activities which are still ongoing, and (iv) awareness programs for women were held on training and welfare schemes.

21. The 220-kilovolt Kanpur substation built under the Unchahar transmission system acquired four hectares of private land that was adjacent to the existing 400 kilovolt substation of POWERGRID. The entire parcel of land was acquired from a rich landlord at a price fixed by the local administration.

5. Consultation and Information Disclosure

22. According to the PCR, the provisions of the Land Acquisition Act (from which the land acquisition and compensation standards were based) were presented to the APs. However, the findings of the survey⁷ conducted for the project case study undertaken in relation to the SES indicated that public consultations were inadequate. In fact, 90% of the respondent APs were of

⁷ A survey was conducted among 30 Project affected persons (APs).

the opinion that the project authorities had not undertaken consultations in their areas regarding the scope of the Project and its impacts, including compensation and rehabilitation assistance (Table 2).

Table 2: Community Consultations for the Project

Response	Number of Responses	% Share
No	27	90.0
Don't Remember	-	-
Yes	3	10.0
Total	30	100.0

Source: Power Transmission (Sector) Project Case Study, 2006.

23. The survey also concluded that APs knew about the Project through census surveys (23%) followed by land acquisition notices (17%). APs whose land and crops were to be affected by the Project came to know about it during the time of the installation of the transmission towers (17%). Other sources of information included technical surveys, fellow villagers, the village revenue official, *gram panchayat*,⁸ and others (Table 3). Moreover, no information disclosure workshops were undertaken nor were pamphlets distributed detailing the Project's scope and the entitlements and compensation standards. Most of the APs received information on their compensation and entitlements through the compensation award notifications.

Table 3: Sources of Project Information

Information Sources	Number of Responses	% Share
Through land acquisition notice	5	16.7
Through census survey	7	23.3
Through technical survey	4	13.3
Through newspaper	-	-
At the time of the project construction	5	16.7
Through villagers	2	6.7
Government Officials/Patwari	2	6.7
Through Panchayat	2	6.7
At the time of demarcation of the alignment	2	6.7
No response	-	-
From husband	1	3.3
Through nongovernment organization	-	-
Total	30	100.0

Source: Power Transmission (Sector) Project Case Study, 2006.

6. Grievance Redress and Benefit Monitoring and Evaluation

24. According to the PCR, a grievance redressal mechanism was established to handle complaints and issues related the implementation of the Project. As stipulated in the Project's Social Assessment and Management Plan (SAMP), "a grievance redressal committee was constituted comprising members from the local administration, *gram panchayat*, POWERGRID, and APs" to monitor the rehabilitation measures undertaken and serve as venue to resolve any complaints lodged by APs.

⁸ Village committee constituted by elected members.

25. However, the survey conducted for the case study revealed that 63% of the respondent APs had Project-related concerns/grievances and that 60% of them did not know where they could lodge their complaints. Moreover, 56% felt that the Project authorities had not made any attempts to provide them with information on the grievance redressal mechanism. Due to this lack of information, 60% of the respondents indicated that they had not approached project implementation authorities regarding their grievances and project-related issues. On the other hand, the 30% that approached project authorities for their grievances did not feel that these were satisfactorily handled. Table 4 provides the results of the survey on project-related grievances.

Table 4: Project-Related Grievances

Responses	No. of Responses	% Share
A. Did you have any project-related, concerns or grievances?		
Yes	19	63.3
No	11	36.7
No Response	-	-
Total	30	100.0
B. If yes, did you have any information where you could take your project related queries, questions, grievances or concerns?		
Yes	1	3.3
No	18	60.0
Not Applicable	11	36.7
No response	-	-
Total	30	100.0
C. Did anybody from project provide you the information as to where you could take your grievances for redressal?		
No	17	56.7
Don't Know/No Response	13	43.3
Yes	-	-
Total	30	100.0
D. Did you approach the project authority or the Grievance Redressal mechanism for the redressal of your grievance?		
No	18	60.0
Yes	9	30.0
No Response	3	10.0
Total	30	100.0

Source: Power Transmission (Sector) Project Case Study, 2006.

26. The case study found that the grievance redressal committee was set up only in January 2005 or 6 years after compulsory land acquisition had taken place, and was constituted only to comply with the procedure. Although much time had lapsed, this mechanism had not received any grievances and the committee had not met so far.

27. Despite a detailed procedure laid down in the project documents, the case study found that no internal monitoring of the Project had been undertaken and no monitoring reports had been prepared. No external monitoring mechanism had been instituted. The project agency professed to be unaware of the provision of external project monitoring, while ADB for its part had not brought up this issue in its review missions.

7. Issues

28. **Procedural delays in land acquisition.** Despite initiating a land acquisition proposal in 1994 (two years prior to loan effectiveness), the land acquisition process was completed only in 1999, followed by the commencement of civil works in 2000. The discrepancies in land records added to the procedural difficulties and delayed the provision of rehabilitation assistance to the APs. Many of the APs felt that the engineering alternatives were not explored to reduce the impact of the Project, particularly in cases wherein two or more transmission towers were installed on a single agriculture plot, thereby affecting land value, production, and the associated asset security.

29. **Inadequate compensation and rehabilitation assistance.** A source of discontent among APs interviewed was the inadequate compensation and rehabilitation assistance provided. Field visits to APs and discussions with project authorities showed that compensation under the Land Acquisition Act was provided to APs at the rate decided by the State Government with additional rehabilitation assistance provided by the executing agency (EA) at a later stage. According to the surveyed APs, this was less than the replacement cost of their lost assets. Furthermore, the case study also noted that the EA had agreed to provide compensation for land lost as a result of the construction of transmission line tower footings during the project appraisal. However, this had not been done, as in the case of the Unchahar Stage II subproject, since the transmission lines were constructed in a state where no special land law existed for the installation of transmission line towers on agricultural land, hence a utility company could build transmission line towers under the Indian Telegraph Act and Electricity Supply Act without paying compensation for land. Thus the EA had only paid for compensation of damaged crops and trees to landowners affected by transmission lines.

30. Findings of the case study revealed that the rehabilitation assistance was disbursed to affected households from 2000 to 2006, nearly 5 years after the land acquisition, without any additional interest payments, thereby providing little positive impact on the lives of those affected. The case study noted that the criterion for rehabilitation assistance was on a “case-to-case” basis and varied based on the amount of land loss, income loss, vulnerability of affected households, and family size. The affected households apparently had limited or no information regarding this criterion thereby leading to their apprehension and discontent.

31. Land borrowed temporarily by the Project was not restored to its original state as the digging for the installation of transmission towers had reduced the land quality in some cases. No assistance was paid to APs whose land was temporarily used during the construction of the towers as access roads for tractors and other vehicles.

32. **Community discontent.** Aside from the inadequate compensation and rehabilitation assistance, APs were also dissatisfied with the Project's impact on their community. Despite their contributions to the construction of a substation, the affected communities remained without electricity years after the substation had become operational. The community assumed that the Project would indirectly contribute to the electrification of their villages and that POWERGRID, being the EA, would play an active role in negotiating with the West Bengal State Electricity Board so that their villages would have electricity. The APs and their representatives had raised this issue a number of times with the EA. POWERGRID had provided two hand pumps to the local community and furniture in the village school, as part of its community development intervention. However, most APs were either unaware of this intervention or regarded it as something that they could have done without since their real priority was still the provision of electricity in their villages.

33. **Limited impact of livelihood restoration initiatives.** Field visits conducted as part of the project case study revealed that the rehabilitation assistance provisions had limited impact on income restoration of APs. For instance, the vocational programs identified did not involve a process of beneficiary consultation and detailed feasibility studies to look into the present skills and interests of those affected. In addition, the usefulness and “market-need” for the kind of training provided in the context of the project area was another issue. As a result, APs argued that they could not utilize the skills they acquired through training.

34. **Institutional weakness to implement rehabilitation measures.** The project case study findings revealed that although the EA had a designated unit at their headquarters that specialized in the management of environmental and social risks, their field office did not have any skilled persons who could handle rehabilitation issues on a daily basis. The project staff at the field office lacked orientation and training on ADB’s safeguard policy prior to or during the project’s implementation. It was also noted that the EA had no social or resettlement specialist or a separate cadre of officers at the project implementation unit level, to supervise the implementation of the SAMP. This process was delegated on an ad-hoc basis as additional responsibility to senior engineers who lacked training in this area.

35. **Inadequate consultation and information disclosure.** Disclosure of Project information including the dissemination of compensation standards and entitlements to APs is a mandatory requirement under ADB’s IR Policy. The project case study noted that APs found the consultation and information disclosure mechanisms inadequate. As a result, APs remained at the receiving end of the rehabilitation planning and this only increased their apprehensions about the benefits that the Project would provide them.

36. **Inefficient grievance redress mechanism.** An efficient grievance redress mechanism will assist APs in resolving their issues and complaints regarding the implementation of the Project. However, based on the findings of the project case study, the Project’s grievance redressal mechanism was ineffective for the following reasons: (i) the grievance redressal committee was set up only in January 2005 (6 years after compulsory land acquisition); (ii) APs were not properly informed of the existence of such a mechanism; and (iii) resolution of grievances were unsatisfactory.

37. **Non-existent monitoring and evaluation.** The project case study noted that no internal and external monitoring and evaluation procedures had been set up mainly because the project authorities were “unaware” of the provision for monitoring and evaluation in ADB’s Safeguards Policy.

C. LOAN 1647-IND: RAJASTHAN URBAN INFRASTRUCTURE DEVELOPMENT⁹

1. Background

38. The Rajasthan Urban Infrastructure Development Project (RUIDP) aimed to improve the living conditions, public health, urban environment, and economic opportunities for a projected 7.7 million beneficiaries living in the six largest cities¹⁰ in Rajasthan State¹¹ in India. The objectives were to: (i) redress urban infrastructure deficiencies rated as highest priority and upgrade basic services to meet demand through 2011; (ii) incorporate policy reforms in municipal administration, management, and revenue generation to ensure sustainability of the new and existing facilities; and (iii) provide a model suitable for urban development in other cities of Rajasthan and elsewhere in India. The scope of the original Project included five parts with a total investment cost of \$362 million, including the \$250 million ADB loan.¹² The five parts included: (i) Part A: community participation and awareness program; (ii) Part B: water supply in the six cities for the highest-priority areas most severely affected by shortages; (iii) Part C: urban environmental improvements through construction of sewerage, drainage, and solid waste facilities, including sanitation improvements in informal settlements; (iv) Part D: urban transportation to improve streets in low-income areas, construction of railway overpasses, and provision of other urgent works required to relieve the time losses and air pollution caused by congested traffic conditions; and (v) Part E: implementation support, capacity building, and consulting services.

39. Because of lower-than-expected bid prices and other factors, the original Project incurred net loan savings of approximately \$60 million. The government of Rajasthan State, supported by the Borrower (the Government of India), requested for a change in project scope to include the construction of the first phase of the Bisalpur Water Supply System¹³ for Jaipur and enable the use of the loan savings to enhance the impact of the original Project. Jaipur's water supply comes from groundwater aquifers which were thought to have sufficient, sustained capacity to meet Jaipur's needs until 2011. Due to a persistent and severe drought from 1998 to 2002, the capacity of the aquifers was being drawn down at alarming rates with the aquifers projected to be substantially depleted by 2007. This led to the need for Rajasthan to advance the construction of the planned Bisalpur water supply system. Phase I of the Bisalpur system consisted of: (i) an intake pump station and raw water pipeline; (ii) a water treatment plant; (iii) a high lift pump station and a 100 kilometer treated water line; and (iv) electrical works. The estimated cost of \$120 million was proposed to be partly financed by ADB through the \$60 million reallocation, the rest of the cost will be financed by Rajasthan.

⁹ The data for this summary are drawn from the project case study conducted for this SES from March to April 2006 by Dr. Aqueel Khan, Staff Consultant. Complementary data is drawn from the Project's Report and Recommendation of the President (ADB. 1998. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of India for the Rajasthan Urban Infrastructure Project*. Manila)

¹⁰ The six cities include Ajmer, Bikaner, Jaipur, Jodhpur, Kota, and Udaipur.

¹¹ Rajasthan State was identified as a priority state by the government, both for development of urban infrastructure facilities and decentralization of urban governance because of its rapidly growing urban population and severely dilapidated basic infrastructure.

¹² The ADB loan was approved on 3 December 1998 to finance direct and indirect foreign exchange costs and part of the local currency costs.

¹³ The Bisalpur Water Supply System was considered during the formulation of the original Project, and identified as the long-term water supply source for Jaipur through 2022 and beyond. However, when the original Project was appraised Rajasthan had higher priority works which it wanted the ADB loan to finance.

40. The executing agency (EA) is the Rajasthan Urban Development Department, acting through a project management unit (PMU). The Project was originally expected to be completed by June 2005, but due to the change in scope, the Project is to be completed by March 2008.

2. Scope of Land Acquisition and Resettlement

41. The original Project did not foresee any resettlement requirement associated with land acquisition since all the land required for the Project was owned by Rajasthan state and no land was required from private landowners. The only action required was the transfer of land to the cities, which included 73 hectares in Ajmer, 111 hectares in Bikaner, 339 hectares in Jaipur, 103 hectares in Jodhpur, 102 hectares in Kota, and 90 hectares in Udaipur. Thus, neither a resettlement framework nor a resettlement plan (RP) was prepared.

42. Upon the reappraisal of the Project in connection with the Bisalpur scope change, it was found that about 112 hectares¹⁴ of land was required for transfer/acquisition from government departments (12 hectares total), village councils (8 hectares total), and private farmers (92 hectares total). The Rajasthan Public Health Engineering Department (PHED) conducted detailed field surveys and developed preliminary designs to minimize land acquisition and mitigate adverse resettlement impacts wherever possible. PHED also purchased about 300 hectares of land for the proposed pipeline from the Indian Railways. A total of 92 hectares of private land was found to be required to build the water treatment plant and pipeline works.

43. The initial social assessment carried out as part of the reappraisal confirmed that there were about 4,663 APs in 706 families, most of whom would only be affected by selling land for the pipeline right of way, but would not have to relocate. Only 22 families (145 APs) would lose their agricultural land for the water treatment plant site. These 22 families resettled on their own when the Bisalpur dam and reservoir were constructed.

44. An RP for the Bisalpur Water Supply System was prepared according to ADB's policy on IR (1995), and the guidelines set out in the Handbook for Incorporation of Social Dimensions in Projects (May 1994). The RP was consistent with the draft resettlement and rehabilitation policy¹⁵ of the state government and the national government's Land Acquisition Act of 1894.

45. The director of RUIDP has the overall responsibility for managing the project and the RP. A Bisalpur project implementation unit (PIU) was in charge of the implementation and management of the daily resettlement activities. Resettlement and rehabilitation committees provided project implementation support at the district and block levels. RUIDP engaged two local nongovernment organizations (NGOs) to help implement the RP. The total cost of the land acquisition, resettlement, and rehabilitation was estimated at Rs24,119,114 (or \$0.5 million equivalent), or about 0.35% of the \$120 million cost for the Bisalpur component. All direct costs of rehabilitation and resettlement were included in the overall cost estimate for the Bisalpur water supply project.

¹⁴ The total amount of required land includes 30 hectares for the water treatment plant and 82 hectares for pipeline works.

¹⁵ The policy provides for minimizing acquisition of land and assets; reducing social, economic, and environmental impacts; compensating for land that needs to be acquired, the value of lost structures and assets, loss of crops and other income generating activities; and providing relocation assistance where resettlement is required.

3. Compensation and Entitlements

46. The RP outlined the compensation standards and entitlements of the APs. In general, APs were entitled to compensation for loss of land, houses and other structures, and damaged crops. APs were likewise entitled to transfer or relocation assistance and livelihood rehabilitation assistance. Vulnerable groups and indigenous peoples were entitled to special compensation and rehabilitation assistance. The entitlements are summarized below.

47. **Compensation.** Registered titleholders were provided with cash and/or land-based compensation for land or asset losses at market/replacement value as per the Land Acquisition Act (1894), established norms of the state government, and ADB guidelines. The rates were based on both (i) land values as established by the revenue department and the district administration, and (ii) special land and asset surveys. The fees, taxes, and other charges incurred in resettlement were to be borne by the Project. Titled members of vulnerable groups were also eligible for relocation and rehabilitation assistance. Cash compensation for loss of structures and other non-land assets were provided at replacement value, including the right to salvage materials and existing structures. Advance notices were provided to harvest non-perennial crops. Compensation was provided for loss of standing crops and perennial crops.

48. **Transfer/relocation assistance.** Counseling assistance was to be provided to all APs regarding entitlements—and the ways and means of minimizing negative project impacts—through local NGOs and village-level resettlement and rehabilitation committees through meetings and formal and informal media. This included counseling on the process and procedures for compensation, as well as resettlement and assistance options. House construction grants and relocation subsistence allowances for the full duration of disruption and re-establishment were also provided to APs.

49. Determining the replacement values of assets was a contentious issue. For land compensation, the RP stipulated that compensation was to be made by the project authority based on the land rate approved by the District Land Committee and the market value as verified through the most recent land transfer records for similar types of land in the affected area. About 30% of the compensation value was added to the government compensation and interest of 12% per annum was also paid to APs from the date of the issuance of the Land Acquisition Notification.

50. The project case study conducted a questionnaire survey among 34 APs in early 2006. APs were asked about their awareness on how the valuation of their respective assets had been done and, as Table 5 shows, 21 out of the 34 APs stated that the valuation of their assets was based on the rate set by the Revenue Department. The remaining respondents said they were not aware of how the asset value was assessed. The majority of the APs stated that they had not been consulted prior to the land acquisition and that they only came to know of their entitlements when they received the Land Acquisition Notification.

Table 5: Awareness of Valuation of Affected Assets

Response	Number of APs	% Share
Government Rate	21	62
Don't know	13	38
Total	34	100

AP = affected person.

Source: Rajasthan Urban Infrastructure Development Project Case Study, 2006.

51. The APs were asked whether they were satisfied with the compensation they had received. Majority of the respondent APs (79%) indicated that they were not satisfied with the compensation, as the amount they received was viewed as much lower than the market value of their affected assets (Table 6). Only one respondent said he was satisfied with the compensation and the rest of the respondents declined to provide an answer.

Table 6: APs' Satisfaction with Compensation Received

Response	Number of APs	% Share
Yes	1	3
No	27	79
No Response	6	18
Total	34	100

AP = affected person.

Source: Rajasthan Urban Infrastructure Development Project Case Study, 2006.

4. Livelihood Restoration

52. Several livelihood rehabilitation measures for APs were outlined in the RP, for instance the provision of land- and non-land-based income opportunities. Vocational training for interested APs was also foreseen. The Project subsidized inputs for agricultural and livestock production and assistance to facilitate access to income generating loans, including subsidies and/or microcredit for self-employment. Temporary or short-term employment in civil construction activities and long-term employment options in the operations and maintenance of water supply assets were provided.

53. The RP indicated that special assistance was to be provided to affected vulnerable groups, families of scheduled castes and tribes, families living below the poverty line, marginal farmers, women and women-headed households, children, elderly, the disabled, migrant laborers, and indigenous peoples. Priority consideration and special relocation assistance were given to vulnerable groups and the most adversely affected small and marginal farmers in terms of land-for-land compensation (where feasible). These APs were also given access to government or private social benefits including poverty alleviation programs such as the District Poverty Intervention program, famine relief work, Swarn Jayanti Gramin Rojgar Yojana, Training for Rural Youth Self Employment Development of Women and Child in Rural Areas, that were being implemented by the state government, as well as other rural development programs under the revenue, irrigation, agriculture, and small scale and cottage industries departments. NGO-facilitated counseling and capacity-building support to deal with resettlement issues and choose low-risk options were also provided. Members of the *Meena* ethnic minority were not uniquely vulnerable to project impacts, but given the number of *Meena* families (47) in the project area, and their socioeconomic integration, their entitlement options were secured without a separate plan for indigenous people. The RP had adequately integrated safeguard issues for indigenous peoples in this regard. The RP ensured that the programs and activities targeted for vulnerable groups were sufficient to mitigate the Project's impacts on the *Meenas*.

54. Field visits and interviews with 34 APs were conducted for the project case study to determine the impacts of the livelihood restoration measures. Table 7 provides the status of these measures as of the period of the project case study.

Table 7: Status of Income Restoration Measures

Income Restoration Measures	Status
1. Land based income restoration for APs losing all or a major portion of their land.	None of the 16 APs was losing 100% of their land and six APs who lost 76%–99% of their land had so far not been allotted with any land-for-land compensation.
2. Non-land based income restoration comprising of identification of suitable alternate rehabilitation schemes such as allied agriculture activities, etc.	No training conducted or linkages established so far.
3. Hired labor in public works and project construction	None so far in public works. The project construction is to start after the period of this case study.
4. Vocational training	The NGO was still finalizing the design of the training program at the time of the study.

AP = affected person, NGO = nongovernment organization.

Source: Rajasthan Urban Infrastructure Development Project Case Study, 2006.

55. The project case study showed that the assistance provisions have had limited impact on the livelihood restoration of APs so far. The key issue here was the timeliness of the provision of the rehabilitation measures. For instance the vocational training provided to APs was conducted for only a day, thus it could not reasonably be expected to provide adequate skills to APs to help them in restoring their incomes. Moreover, it was noted that little consultation had been conducted on the type of training courses that the APs were interested in and the viability of the training courses planned in the market. Thus, the training programs have not succeeded in quickly providing APs with new knowledge for alternative sources of livelihood.

5. Consultation and Information Disclosure

56. The RP for the Bisalpur Water Supply System was formulated after extensive consultations with APs, project beneficiaries, implementing agencies such as PHED and Bisalpur PIU, local officials, local NGOs, and community-based organizations. Formal and informal consultative methods (including participatory rural appraisal, in-depth interviews, focus group discussions, and structured schedule techniques) were used. Information about the Project was disseminated in group meetings and village- and hamlet-level consultations. Project information had been disseminated through leaflets. Information regarding the main components of the RP, the entitlement matrix, the grievance mechanism, compensation, and other assistance packages were disclosed to all APs in Hindi and Rajasthani prior to detailed design. Copies of the updated RP were given to village council offices before implementation.

57. The survey findings of the project case study were very different. They indicated that among the 34 APs interviewed, 28 said that no community level consultations had been organized by the implementing agency to inform or consult them about the Project, its scope, and possible impacts (Table 8).

Table 8: Community Consultations for the Project

Responses	No. of APs	% Share
Yes	-	-
No	28	82
Not aware of such an event	6	18
Total	34	100

AP = affected person.

Source: Rajasthan Urban Infrastructure Development Project Case Study, 2006.

58. More than half of the respondent APs stated that they only came to know about the Project through the Land Acquisition Notice. This was in fact, the first official communication informing APs of their losses. Prior to the Land Acquisition Notice, 23% of the APs said that they

came to know about the Project through the technical surveyors who were undertaking technical surveys on the pipeline alignments. Six percent of the APs learned about the Project through the *patwari* (local government officers), while others learned about it through other villagers, through the *tehsildar* (revenue officer), and through newspaper reports (Table 9). According to the respondent APs, the information from these sources was “vague” in nature and only increased their apprehension about the Project.

Table 9: Sources of Information about the Project

Information Source	Number of APs	% Share
Through Land Acquisition Notice	18	53
Through the technical survey team	8	23
Through the <i>Patwari</i> ^a	2	6
Through other villagers	2	6
No response	2	6
From <i>Tehsildar</i> ^b	1	3
Through newspaper reports	1	3
Total	34	100

^a Local government officers.

^b Revenue officer.

Source: Rajasthan Urban Infrastructure Development Project Case Study, 2006.

59. Eighty-eight percent of the interviewed APs stated that the only contact made by Bisalpur PIU was through the census survey, which a consultant had undertaken in 2003. However, the focus of the census survey was the identification of project-affected individuals and documenting their respective losses. The other respondent APs did not recall the survey (Table 10).

Table 10: Census Survey Undertaken by the Project

Response	Number of APs	% Share
Yes	30	88
No	-	-
Don't Remember	4	12
Total	34	100

AP = affected person.

Source: Rajasthan Urban Infrastructure Development Project Case Study, 2006.

60. Disclosure of the entitlement matrix in the RP was translated in local language and distributed to APs in the project area. However, the project case study observed that the effectiveness of such a disclosure itself was questionable since in most cases, the compensation package was already provided to APs by the revenue department when the entitlement matrix was distributed, thus those affected had no information regarding their entitlements, as per the ADB IR Policy. Table 11 shows that out of the 34 respondent APs to the survey conducted for the project case study, 30 APs confirmed that neither a disclosure workshop was organized by the project authority detailing the scope/impacts of the project, nor were pamphlets distributed to APs outlining their entitlements.

Table 11: Public Disclosure of the Project

Response	Number of APs	% Share
Yes	-	-
No	30	88
Not aware of such	4	12
Total	34	100

AP = affected person.

Source: Rajasthan Urban Infrastructure Development Project Case Study, 2006.

6. Grievance Redress and Benefit Monitoring and Evaluation

61. The RP had provided for a formalized grievance redress mechanism to help reduce complaints and enhance the acceptance of the resettlement and rehabilitation program. The Bisalpur PIU and the district/block-level resettlement and rehabilitation committees were responsible for addressing complaints, helping resolve disputes, and proposing solutions. According to the RP, grievances were to be handled in a congenial, transparent and impartial manner otherwise these disputes will be passed on to the local courts.

62. The RP also stipulated that a resettlement-focused monitoring and evaluation program be instituted to track the effectiveness of resettlement and its impact on APs. The Bisalpur PIU was responsible for the internal monitoring of resettlement. The impact on APs was to be monitored and assessed using baseline data collected through censuses and socio-economic surveys. RUIDP was responsible for hiring an external agency or specialist to continuously monitor resettlement and rehabilitation. Regular progress reports to project authorities would document resettlement progress and flag significant issues to the Bisalpur PIU and the project director of RUIDP. Reports by NGOs and monitoring and evaluation consultants were to be submitted to ADB for review.

63. A grievance redress mechanism was put in place and village-level committees for grievance handling and resolution were established. But it appeared that these were not effective in addressing the concerns of the APs. The project case study survey found that 70% of the 34 interviewed APs had some concerns regarding inadequate compensation, discrepancies in the measurements of affected plots, land titles, etc. However, 64% said that they had no information as to where they could lodge their grievances. In most cases, the APs approached the District Collector or Revenue Department to lodge their complaints but 58% of the interviewed APs indicated that their grievances were not satisfactorily addressed. Table 12 shows the results of the survey.

Table 12: Project-Related Grievances

Responses	No. of Responses	% Share
A. Did you have any project-related, concerns or grievances?		
Yes	24	70
No	8	24
No Response	2	6
Total	34	100
B. If yes, did you have any information where you could take your project related queries, questions, grievances or concerns?		
Yes	2	6
No	22	64
Not Applicable	8	24
No response	2	6
Total	34	100
C. Did anybody from the project provide you the information as to where you could take your grievances for redressal?		
Yes	-	-
No	28	82
Don't know/No response	6	18
Total	34	100

Responses	No. of Responses	% Share
D. Was your concern/grievance satisfactorily addressed?		
Yes	-	-
No	20	58
Don't know/No Response	6	18
Not applicable	8	24
Total	34	100

Source: Rajasthan Urban Infrastructure Development Project Case Study, 2006.

64. The project case study team also met with officials of the Village-level resettlement and rehabilitation committee and its members in Ghati Village, Chandsen Village, and Todi Sagar Village. The key role of the committee was “to mediate and provide coordinating nodes for acquisition of land, making compensation, and facilitating access of APs to most government programs in the entitlement package,” including the handling of APs’ complaints/grievances and ensure employment of APs during project construction. According to the members interviewed, the Committee could have played a more effective role had it been constituted at the time when land acquisition was ongoing (in 2003–2004). The two NGOs tasked to assist in the implementation of the RP were mobilized in September–October 2005 whereas the village-level committees for grievance handling and resolution were established in February 2006. During that time, the compensation had already been disbursed and the remaining cases were those on disputes, absentee landlords, or APs who had not received their compensation.

7. Issues

65. **Inadequacy of resettlement preparation vis-à-vis policy guidelines.** The project case study findings indicated that private land was acquired for some of the urban transport and subproject components in the cities of Jaipur, Ajmer, and Jodhpur (as per the Land Acquisition Act) but no RP was ever prepared. In addition, the project also removed some illegal encroachments and settlers without any resettlement survey or assistance as per the state laws thereby going against the ADB policy.

66. **Inadequate consultation and information disclosure.** APs deemed community participation at the time of project planning and formulation inadequate. The EA and the project implementation unit appeared to be remiss in informing the APs about the project scope and impacts. APs came to know of the project and its impacts through various sources, however, the information that they got were vague thereby increasing their apprehensions about the project.

67. **Inefficient grievance redress mechanism.** The APs felt that the grievance redress mechanism was ineffective in resolving their project-related complaints. The APs were likewise not properly informed about the existence of such a mechanism. The village-level committees for grievance handling and resolution were established several months after the compensation were already distributed to APs, thus all project-related issues and complaints have not been properly addressed.

68. **Inadequacy of compensation and livelihood restoration measures.** According to the findings of the interviews with revenue officials and APs in connection with the project case study conducted for the SES, the compensation that APs received was not the replacement value of their lost assets. The *patwari* of Malpura Block confirmed that the District Land Committee rate was not the market replacement value of the asset. As a result, discontent among APs had become prevalent particularly on the levels of compensation that they received.

The livelihood restoration measures provided to APs also appeared to be inadequate and a key issue was in the timeliness of the measures.

69. **Project benefits to the community.** Although the project's pipeline facilitated the provision of drinking water to Jaipur, the city continues to experience a scarcity of drinking water. According to the APs, the project should make drinking water available to the affected villages as a token of appreciation for their contribution to the Project. The residents also feared that the pipeline would further reduce the water available for irrigation and for other purposes.

70. **Role of the NGOs.** Two NGOs¹⁶ were engaged under the project to assist the EA in the implementation of the RP and work closely with the District/block-level Resettlement and Rehabilitation Committee. The key tasks of the NGOs were to establish rapport between the APs and the district/block-level committees and the Bisalpur PIU; assist APs in receiving resettlement and rehabilitation entitlements due to them; assess the level of skills and efficiency in pursuing economic activities and the conduct of such programs to impart new income generating skills to the APs; and the preparation and issuance of identity cards of the APs. However, the NGOs were mobilized between September and October 2005 when a significant amount of compensation had already been disbursed to APs. Although the NGOs succeeded in establishing rapport between the APs and the project authorities and facilitated access to project-related information, some of the APs indicated that had the NGOs been mobilized sooner, their discontent would have been lessened and they could have been properly guided as to where they could lodge their project-related grievances or how to utilize their compensations.

71. **No external monitoring and evaluation.** Although the RP stipulated that RUIDP was responsible for hiring an external agency or specialist to continuously monitor resettlement and rehabilitation, the project case study found that this has not been done. In fact according to the findings of the project case study, an independent monitoring and evaluation agency was yet to be engaged.

¹⁶ The Center for Community Economics and Development Consultants Society and the Indian Institute for Rural Development were engaged.

D. LOAN 1813-IND: KOLKATA ENVIRONMENTAL IMPROVEMENT PROJECT¹⁷

1. Background

72. The Kolkata Environmental Improvement Project aimed to improve the welfare and well being of the people of Calcutta, especially the poor, through an improved urban environment, equitable access to municipal services, and more effective municipal management. The Project comprised the highest priority investments under the Municipal Calcutta Environment Improvement Program, a long-term master plan. The objectives of the Project were to: (i) improve the environment in the outer areas of Calcutta; (ii) reduce poverty in the low-income areas through affordable access to basic urban services; (iii) facilitate community empowerment through participatory processes; (iv) protect the environment from adverse developmental impacts; and (v) help develop Calcutta Municipal Corporation (CMC) as a proficient and autonomous municipality. The Project had six components: (i) Part A: a stakeholder consultation process designed to promote stakeholder participation, support policy reform through improved awareness, and educate communities about environmental health linkages; (ii) Part B: sewerage and drainage improvements; (iii) Part C: solid waste management; (iv) Part D: slum improvements; (v) Part E: canal improvements; and (vi) Part F: implementation assistance and capacity building.

73. The Project is ongoing and was foreseen to be implemented over a six-year period with project completion estimated to be by mid-2007. The total cost of the Project was estimated at \$360.0 million equivalent, for which ADB approved a loan of \$250.0 million¹⁸ on 19 December 2000 representing approximately 69% of the total project costs.¹⁹ In March 2005, Government requested ADB for the cancellation of \$72.2 million. Upon cancellation, the net loan amount was reduced to \$177.8 million.

74. The Project had two EAs. CMC was the principal executing agency (EA), responsible for parts A, B, C, D, and F. The Irrigation and Waterways Department (IWD) of the government of West Bengal was the EA for part E. Although part A would be essentially under the responsibility of CMC, it provided services to IWD on the resettlement aspects of the canal improvements component.

¹⁷ The data for this summary are drawn from the project case study conducted for this SES from March to April 2006 by Mr. Arup Khan, Staff Consultant. Complementary data is drawn from: (i) the Project's Report and Recommendation of the President (ADB. 2000. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of India for the Calcutta Environmental Improvement Project*. Manila); and (ii) Aide Memoire for the Operations Evaluation Mission: India (March 2006).

¹⁸ The loan of \$250.0 million was to finance \$103.7 million of the foreign exchange cost and \$146.3 million equivalent of local currency costs. The local cost financing would cover part of the costs relating to civil works, equipment, consulting services, and resettlement, but excluding all land and duties and taxes.

¹⁹ The government of West Bengal provided budgetary support of \$54.6 million, of which \$27.3 million was allocated to IWD as a grant to meet the cost of canal improvements and resettlement, and \$27.3 million allocated as a grant to CMC. CMC was to meet the balance of the project costs of \$55.4 million. In addition, the Department for International Development of the United Kingdom (DFID) provided \$30.0 million for a comprehensive capacity building program for CMC to support the project investments.



Canals before the start of the Project



Cleared canal side after the project intervention

2. Scope of Land Acquisition and Resettlement

75. During the project preparatory stage, the Project was foreseen to have land acquisition and resettlement impacts. Two project components required land acquisition: (i) 40 hectares of land was required for the sewerage and drainage improvements (Part B), and (ii) 180 hectares of land were required for solid waste management (Part C). Canal improvements (Part E) required the relocation of informal dwellers from government-owned lands (canals). A full resettlement plan (RP) was prepared in October 2000 covering: (i) 75 encroachers affected by sewerage and drainage improvements, (ii) the relocation of 625 trash sorters affected by the solid waste management component, and (iii) an estimated 3,200 families (9,760 persons) affected by canal improvements.

76. The persons affected by the canal improvements (APs) were mostly living below the poverty line. Of the total APs, 2,157 households were considered poor, 317 households were headed by women, and 264 households were headed by elderly people. Many children between the ages of 7 and 14 years worked in the settlements where boys worked in teashops and small roadside shops or industries while girls worked as domestic helpers. During the monsoon months, children worked in prawn processing centers. During the times when prawns were in short supply, children moved on to work as trash sorters in landfill sites. In the Dhapa landfill site, sorters (adults and children) would lose their livelihood with the mechanization of solid waste management by the year 2010. The RP incorporated an action plan for retraining sorters at the Dhapa landfill site. In the interim period, sorters were provided with gloves, boots, aprons, and masks, and given periodic health check-ups. With the closure of the landfill site, they would be assisted to establish alternative livelihoods. An action plan for the rehabilitation of child workers from canal settlements and landfill sites was also part of the RP. Children were withdrawn from employment and assisted in getting accommodation in schools. Children aged seven years old and above were trained for one year to prepare them for admission to schools.

77. The total cost of land acquisition and resettlement was estimated at \$12.3 million, of which \$7.5 million was allotted for land acquisition and \$4.8 million for resettlement. IWD was responsible for the resettlement implementation. Two nongovernment organizations (NGOs) were engaged in November 2005 to facilitate the implementation of the RP and address the cross-cutting issues related to social development and Stakeholders Consultation Process. At the community level, community resettlement groups were organized to provide representation of all APs. At least half of the committee members were women. Since July 2003, the Resettlement Specialist of the Project Management Consultants assisted the PMU in

addressing issues related to the implementation of the RP. The PMU functioned without a Social Development Specialist until September 2004. In March 2005, the Social Development Unit (SDU) of the PMU was restructured and strengthened through the recruitment of a full time resettlement specialist as consultant along with community development specialists.

78. To minimize the impact of resettlement in the canal improvement component, the RP adopted three engineering solutions: (i) the width of some sections of the canal was already wider than the minimum breadth and would have to be reduced, leaving an additional reclaimed land available in canal banks that would serve as the right-of-way (ROW); (ii) some structures would be allowed to remain on the canal banks by adjusting the ROW; and (iii) displacement was to be avoided by keeping the 20-foot wide ROW on one canal bank.

79. A verification survey of affected households conducted between 2002 and 2003 by the PMU with assistance of one of the NGOs showed that the number of affected households had increased from 3,247 to 3,406 (Table 13). The same survey also identified another 1,100 households who were not cardholders²⁰ but were nevertheless affected by the Project. In addition to this, the other NGO²¹ had identified eight new sections of lead canals affecting an additional 282 households. The PMU decided that these were to be provided with identification cards and included in the recipients of compensation and entitlements.

Table 13: Change in Number of Project-Affected Households

Part E: Canal Improvement ^a	RP (2000)				Verification Survey (2003)				
	Canal Name	Total no. of settlements	Affected HHs	SBEs	Total	Total no. of settlements	Affected HHs	SBEs	Total
TP ^b	25	2,187	42	2,229	52	2,093	188	2,281	579
Keorapukur	9	116	148	264	20	134	213	347	284
Manikhali	14	235	192	427	29	254	164	418	172
Churial	10	327	-	327	15	334	26	360	65
Total	58	2,865	382	3,247	116	2,815	591	3,406	1,100

Part B: Sewerage and Drainage Improvements (Detailed census socioeconomic survey and RP is yet to be prepared by EA) - Per RP (2000), there were 75 APs.

Part C: Solid Waste Management (Detailed census, socioeconomic survey and RP is yet to be prepared by EA) - Per RP (2000), there were 655 APs.

AP = affected person, EA = executing agency, HH = household, SBE = small business enterprises, RP = resettlement plan.

^a In 2005, a new section of lead canals affecting 282 households have been included.

^b TP basin.

Source: Kolkata Environmental Improvement Project Case Study (2006).

80. The PMU consulted all secondary stakeholders and people's representatives²² to reach a consensus for the relocation of project-affected households in the economically weaker section known as *Valmiki Ambedkar Malin Bastee Awas Yojna*²³ (VAMBAY). In August 2005,

²⁰ During the RP preparation stage, identification cards were issued to the canal bank dwellers to identify them as project affected households.

²¹ Design and Supervision Consultants (DSC).

²² People's representatives included Ward Councilors, Mayor-in-Council, Mayor, etc.

²³ The latest Urban Poverty Alleviation Initiative (UPAI) announced by the government of India is the Valmiki Ambedkar Malin Basti Awas Yojna (VAMBAY). This scheme already existed as Ambedkar Malin Basti Awas Yojna (AMBAY) and was being monitored by the Ministry of Urban poverty Alleviation on a pilot basis through Housing & Urban Development Corporation of India (HUDCO). The Government announced an allocation of Rs. 100 crores for this scheme. This is not an additional allocation. The budget previously allocated for Swarna Jayanti Sahari Rojkar Yojana(SJSRY) or unutilized funds for this scheme are to be utilized for VAMBAY.

the PMU prepared a revised RP and obtained approval from ADB. The revised RP distinguished between three groups of APs: (i) APs who were surveyed before 28 March 2000 (the original group of identity cardholders); (ii) APs not included in the survey of 2000 but included in the 2003 survey (verification survey identifying non-card holders); and (iii) APs residing along the newly included canals who were not included in the survey of 2000. The revised RP also provided a major change in relocation concept from “land-based horizontal resettlement”²⁴ to “vertical multi-storied housing resettlement.”²⁵

81. According to the findings of the operations evaluation mission (OEM),²⁶ the Government of West Bengal gave the responsibility of constructing housing units for the lower income group under the VAMBAY scheme to the Kolkata Municipal Development Authority. At the time of the OEM, the PMU had relocated 165 families living below the poverty line in an apartment complex. Of the total cost of Rs78,600 (or \$1,684 equivalent²⁷) for an apartment unit, the Government had provided a subsidy of Rs30,000 (or \$643 equivalent) and each project-affected household contributed 5%²⁸ of the total cost or Rs3,930 (or \$84 equivalent). The remaining cost was borne by the Project. The APs received ownership papers and now occupied apartment units in a four-storey building with an approximate size of around 20 square meters. In addition, 585 families had been resettled into a makeshift transit camp across the road from the canal banks while awaiting the impending completion of additional apartment complexes in the surrounding areas. The PMU estimated that resettlement of all 3,400 or so canal bank households in the area and four more resettlement colonies²⁹ would be completed by the end of 2007. All the resettlement sites were situated on government land near the canal banks, but were nevertheless prime development areas in Kolkata’s outskirts. Table 14 provides the status of resettlement implementation for the Project.



Nonadanga transit camp (in front of VAMBAY housing scheme)

²⁴ Land-based horizontal resettlement involved the relocation of APs on empty plots near their original locations where they were expected to build their new houses.

²⁵ Vertical multi-storied housing resettlement involved the relocation of APs in apartment complexes built on government land.

²⁶ An operations evaluation mission was organized in early 2006 in relation to the Special Evaluation Study on Social Safeguards to assess the application of the social safeguard policy in the Project.

²⁷ Exchange rate used: Rs46.68 to \$1.00

²⁸ The 5% “cost contribution” by APs was justified on the basis of the criterion of “affordability” of the APs and was derived after an extensive consultation process.

²⁹ Kasba - 2.53 acres, Purboputiyali – 1.0 acre, Swampa Mirza Nagar - 2.5 acres, and Purba Barisha - 1.16 acres



Inside the transit camp

Table 14: Status of Resettlement Implementation
(as of March 2006)

Lots	Families to be Resettled	Resettlement	Current Status
1	750	165 families shifted to VAMBAY housing in Nonadanga Shifting of 320 families to Nonadanga transit camp	Completed In transit camp
2	1,100	Shifting of 265 families to Nonadanga in KEIP houses Resettlement of 835 families in KEIP houses (Phase III at Nonadanga), 775 families from Lot II and 60 families from bridge sites Resettlement of 325 families in KEIP houses (Phase IV at Kasba)	In transit camp Construction yet to start Construction yet to start
3	425	Resettlement in KEIP houses	Land requested from KMDA
4	575	Manikhali - 510 families Keorapuker – 41 families Churial - 8 families	2.5 acres of land available for 385 families; 1.5 acres required for the remaining 190 families. Land Available Land Available

KEIP = Kolkata Environmental Improvement Project, KMDA = Kolkata Municipal Development Authority, VAMBAY = Valmiki Ambedkar Malin Bastee Awas Yojna.
Source: Aide Memoire, Operations Evaluation Mission (March 2006).

82. The OEM visited the transit camp and the apartment complex in the resettlement site. Relocated families in the apartment complex preferred the orderly and well-organized transit camps. However, they were still in the process of adjusting to their new locations and were quite satisfied with the support they received from SDU and the local NGOs. Titles to their apartment units had already been given to them. On the other hand, interviews also revealed that the constant revision in the resettlement principle and entitlement matrix and weak governance since the year 2000 had contributed to APs mistrusting the PMU for a long time. However, after they received the tangible benefits of their “sacrifices,” this standpoint changed.

3. Compensation and Entitlements

83. The sewerage and drainage component of the Project required the acquisition of a substantial amount of land but due regard was given to transparency and compensation for those whose land were to be acquired. India’s Land Acquisition Act (1894) had set the procedures for land acquisition and provided guidelines for compensation. Section 23 of the Land Acquisition Act stipulated that compensation for acquired land should consist of: (i) the

market value of land acquired; (ii) damages for standing crops and trees on the land; (iii) damages for the division of land when the collector takes possession of the required land; (iv) damages for the acquisition injuriously affecting the person's other movable or immovable property; (v) reasonable expenses for change of residence or place of business; (vi) damages for loss of profits between publication of the declaration and the collector's possession of the land; (vii) loss of earnings from loss of the land acquired; (viii) 12% of the market value of the acquired land from the publication of the notification under Section 491 to the date of award of the Collector or taking possession of the land whichever is earlier; and (ix) 15% of the market value of the acquired land for the compulsory nature of the acquisition.

84. The risk of inappropriately low compensation triggering litigation and attendant delays was mitigated through the West Bengal Land Acquisition Manual of 1991 (the Manual), which guided the state government in calculating compensation. In addition, section 68 of the manual provided an objective basis for market valuation of the land by: (i) referring to the average of sales that took place at the time of the notification of similar lands in the same or adjoining localities, and (ii) a review of 15–20 deeds executed on dates immediately before the relevant date taken from the local sub-registry office for similar land in the same locality. Similarly, section 73 of the manual provided helpful guidance on calculation of damages, loss of earnings, expenses, and loss of profits.

85. The original RP stipulated that APs were to be given the option to relocate themselves to a place of their preference or move to a relocation site provided by the Project. Those who preferred to relocate by themselves were to be paid an amount equivalent to the replacement value of their existing structures. APs who preferred to move to relocation sites were to be provided with a plot area of 17 square meters for households with five members, and 20 square meters for households with more than five members or more than three adult members. The housing package for canal dwellers and other APs with no legal land titles included: (i) a plot area for a house, (ii) replacement value of the existing structure, less salvage value; (iii) assistance for upgrading from a thatched-roof structure to a structure comprising bamboo and roofing material; and (iv) a resettlement allowance for a reasonable period as will be decided by the implementation committee. Canal improvement works were to commence only after relocation of APs was completed. APs were to build their own houses in the new sites. Once the movement to the new site was completed, the APs, with assistance from IWD/CMC, would demolish the old houses.



One of the Project's relocation sites: VAMBAY housing in Nonadanga, Kolkata

86. The project case study team found that the majority of the APs surveyed could not afford to pay their 5% share of the total cost of the new house. However, after considering that the benefits of this scheme would more than outweigh the costs, they resorted to borrowing money from traditional moneylenders even at high interest rates just to come up with their required share of the total cost of the new house. This was despite the fact that there was no significant increase in their incomes in the past five years (2000–2005).

4. Income/Livelihood Restoration

87. Rehabilitation activities were integrated with the social development component of the Project's slum improvement program. The social development activities included awareness programs on health and education; assistance with formation of self-help groups for income generation activities; and neighborhood groups for thrift and microenterprises. Vulnerable groups were identified so that they could be covered under the poverty alleviation schemes of CMC and the Government.

88. Ninety-five percent of the survey respondents felt their lives improved after resettlement due mainly to the social development initiatives provided for them and the amenities provided in the resettlement site (Table 15). Of the 25 respondents relocated in VAMBAY housing site, 88% said that their quality of life was better after resettlement, 8% said their lives remained the same, while 4% said their lives did not improve after resettlement. In other two sites, all of respondents said that the quality of their lives had improved.

Table 15: Perception on Quality of Life After Resettlement

Site	Better-Off	Same as Before	Worse-Off	Total
VAMBAY	22	2	1	25
Transit Camp	25	0	0	25
Uttar Kalikapur	10	0	0	10
Total	57	2	1	60

VAMBAY = Valmiki Ambedkar Malin Basti Awas Yojna.

Source: Field Survey, Kolkata Environmental Improvement Project Case Study (2006).

5. Consultation and Information Disclosure

89. Consultations and numerous discussions were held with key stakeholders. Key people were identified in each locality mostly consisting of members of the local ward committee; municipal and village councilors or members; political and religious leaders; youth representatives; schoolteachers; or other eminent people within the locales. They were instrumental in coordinating and discussing the design of resettlement packages, options for housing, location of new sites, etc with APs. Separate meetings were held with women to identify their specific needs and concerns. The more vulnerable among the women were identified for added assistance.

90. Community participation in planning and implementing resettlement activities was an important provision of the RP. According to the RP, the compensation policy was based on extensive consultations with primary and secondary stakeholders regarding their lost assets. Consultation and discussions were held with the participation of project authorities and secondary stakeholders where relevant information about the Project was presented including its benefits and its likely adverse impacts on the APs. Separate meetings were held with women groups to identify their gender-specific needs and concerns.

91. With the revision of the RP in 2005, the SDU and the NGO team provided a number of social development interventions to ensure the success of the resettlement program. The interventions were mainly formulated through a consultative process. Several rounds of consultations with the affected families (41 consultations), ward councilors (12 consultations), borough chairman (9 consultations), civil society organizations (35 consultations), and government officials (22 consultations) were carried out between August and December 2005. The consultations were based on community intervention strategies like “KAP” (Knowledge development, Attitudinal change and Practices). The elements and inputs of the strategies included formation of Self Help Groups for men and women; Savings Groups; housing cooperatives; maintenance and management of community based assets; participation in life insurance schemes, health, sanitation and hygiene promotion; developing the habit of saving through a formal banking system; and behavioral change with regard to living in multi-storied apartment complexes. This was carried out by staff of SDU dedicated to resettlement activities mainly with assistance from NGOs engaged for this purpose.

92. A survey was conducted by the project case study team among 60 relocated APs in selected resettlement sites to determine their awareness levels on various issues prior to resettlement. According to the results of the survey, 90% of the respondents became aware of the Project for more than five years prior to their relocation and 10% said they knew of the Project for 2–4 years (Table 16). The respondents further stated that they came to know of the Project when identification cards were distributed to them at the RP preparation stage.

Table 16: Awareness of the Project Prior to Relocation

Site	>5 yrs	2-4 yrs.	<2 yrs.	Total
VAMBAY	21	4	0	25
Transit Camp	23	2	0	25
Uttar Kalikapur	10	0	0	10
Total	54	6	0	60

VAMBAY = Valmiki Ambedkar Malin Basti Awaz Yojna.

Source: Field Survey, Kolkata Environmental Improvement Project Case Study (2006).

93. Sixty-three percent of the respondents indicated their awareness of the RP while 37% said they were not aware of the RP (Table 17). Awareness of the RP was higher among APs in the transit camp and in Uttar Kalikapur than the APs in VAMBAY. This may be attributed to the fact that the APs were directly relocated to the VAMBAY housing site from the canal banks within two months of approval of the new RP. Most respondents (93%) said that they were aware of the extent of their potential losses before their actual resettlement and all of the respondents said they were aware of their entitlements for their losses prior to their relocation. Moreover, all of the respondents said that they have attended the meetings/consultations conducted by the project authorities regarding the disclosure of the RP, resettlement impacts, etc. In fact 45% of the respondents said they attended the weekly meetings and 52% said they attended the monthly meetings (Table 18). This shows that the PMU’s information disclosure procedures were very effective.

Table 17: Awareness Levels of Selected APs Before Relocation

Site	Response				Total
	Yes		No		
	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	

A. Awareness of the RP Before Relocation

VAMBAY	6	10	19	32	25
Transit Camp	22	37	3	1	25
Uttar Kalikapur	10	17	0	0	10
Total	38	63	22	37	60
B. Awareness of the Extent of Loss Before Relocation					
VAMBAY	21	35	4	7	25
Transit Camp	25	42	0	0	25
Uttar Kalikapur	10	17	0	0	10
Total	56	93	4	7	60
Site	Response				Total
	Yes		No		No. of Survey Respondents
	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	
C. Awareness of Entitlements Before Relocation					
VAMBAY	25	42	0	0	25
Transit Camp	25	42	0	0	25
Uttar Kalikapur	10	17	0	0	10
Total	60	100	0	0	60
D. Consultation and Community Participation					
VAMBAY	25	42	0	0	25
Transit Camp	25	42	0	0	25
Uttar Kalikapur	10	17	0	0	10
Total	60	100	0	0	60

VAMBAY = Valmiki Ambedkar Malin Basti Awas Yojna.

Source: Field Survey, Kolkata Environmental Improvement Project Case Study (2006).

Table 18: Frequency of Attendance in Consultations/Meetings with Project Authority/NGOs

Site	Weekly		Monthly		Quarterly		Total Survey Respondents
	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	
VAMBAY	4	7	19	32	2	3	25
Transit Camp	13	22	12	20	0	0	25
Uttar Kalikapur	10	16	0	0	0	0	10
Total	27	45	31	52	2	3	60

VAMBAY = Valmiki Ambedkar Malin Bastee Awas Yojna.

Source: Field Survey, Kolkata Environmental Improvement Project Case Study (2006).

6. Grievance Redress and Benefit Monitoring and Evaluation

94. The RP stipulated that the Project would establish a grievance redress mechanism to deal with complaints from APs. One information booth was to be established for each canal-level community resettlement group. Each group would have a member secretary responsible for disseminating information and receiving the summary requirements of the settlement-level community resettlement group and stakeholder complaints. The NGOs were to ensure that grievances were acted upon in an effective manner. The Project's participatory approach to implementation was to ensure transparency and accountability. NGOs were expected to play a significant role in this approach. To avoid any accusation of impropriety and corruption, all payments relating to compensation and resettlement assistance were to be made publicly.

95. The RP further specified that the SDU within CMC was responsible for internal monitoring. The focus of internal monitoring was on: (i) compensation and assistance package,

(ii) resettlement, (iii) recovery, (iv) vulnerable groups, (v) women, (vi) information sharing and consultation, (vii) grievance redress, and (viii) budget and implementation scheduling.

96. The SDU was to contract out external monitoring to a qualified social science research institute, an NGO, or a consulting firm. The external monitoring agency was responsible for submitting quarterly reports in the first three years of the Project, and then two reports a year for the remaining project duration. External monitoring would verify the results of internal monitoring, and evaluate whether the objectives of the resettlement plan were met.

97. Until the time of the project case study field visit, the PMU had yet to institutionalize the grievance redress mechanism. The NGOs working with canal bank dwellers activated the information cell as part of the slum improvement component. The same cell collected and classified the grievances and sent these to the SDU for further action. However, officers of the SDU addressed grievances in an informal manner. This was revealed during the group discussions with the APs who were relocated to the apartment complexes. Interviewed APs have lodged complaints to the SDU many times whenever representatives visited their locales. However, since there was no institutional structure or formal process for grievance handling in place, the complaints were not adequately addressed in their view, and no action was taken to resolve these.

98. The project case study team also conducted a survey among 50 APs relocated in three resettlement sites to determine their awareness of the Project's grievance redress mechanism. Based on the results of the survey, it appeared that the grievance redress mechanism is weak. More than half (56%) of the respondent APs revealed that they had project-related issues but did not know whom to approach. Of this number, 92% said that their grievances were not resolved. Table 19 provides the results of the survey.

Table 19: Grievance Redress Mechanism

Site	Response				Total No. of Survey Respondents
	Yes		No		
	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	
A. Did you approach project authorities for any project-related issues?					
VAMBAY	23	46	2	4	25
Transit Camp	5	10	20	40	25
Uttar Kalikapur	NA	0	NA	0	0
Total	28	56	22	44	50
B. Did the NGO/project authority take initiatives to solve your grievances?					
VAMBAY	2	7	21	25	23
Transit Camp	NA	0	5	8	5
Uttar Kalikapur	NA	0	NA	0	NA
Total	2	7	26	92	28

NA = not applicable, NGO = nongovernment organization, VAMBAY = Valmiki Ambedkar Malin Bastee Awas Yojna.

Source: Field Survey, Kolkata Environmental Improvement Project Case Study (2006).

99. The OEM found that a formal external monitoring mechanism had not been created so far in the Project. External evaluators were just recruited in early 2006 and had delivered an Inception Report. The plan was to hire the consultants in three phases, mainly for comprehensive surveys and evaluation studies regarding the achievement of the project's objectives. The stipulation in the RP that the external monitors should produce quarterly monitoring reports was not followed. Furthermore, the external evaluators did not seem to focus

particularly on the delivery of compensation and rehabilitation measures for the resettled APs, but instead took a wider view of the needed socio economic analysis.

7. Attitudes to Resettlement

100. A field survey among a sample of relocated APs in VAMBAY, transit camp, and a canal bank resettlement site in Uttar Kalikapur was conducted in relation to the project case study. The survey aimed to structure an analytical framework to understand the Project inputs and its impacts on APs.

101. Sixty APs were asked about their satisfaction with a number of resettlement-related issues. The results are in Table 20. Eighty-seven percent were satisfied, while 13% indicated otherwise. Regarding mitigation measures for the loss of APs' businesses, however, only 20% of the respondents were satisfied with the assistance they received from project authorities; 70% of the respondents expressed dissatisfaction (10% did not provide an answer). None of the respondent APs expressed dissatisfaction regarding the process of determining the compensation standards. The project case study attributes this to the adequate participatory/consultation process conducted in the planning and implementation of resettlement activities.

Table 20: Attitudes to Resettlement

	Very Satisfied	Generally Satisfied	Dissatisfied	Extremely Dissatisfied	NA	Total
Project adequately consulted the community in planning and implementation process	22	30	7	1	0	60
Adequate amount of compensation and assistance was provided to re-establish pre-project incomes/livelihoods	25	25	0	0	10	60
Loss of business has been adequately mitigated	0	12	35	7	6	60
Attitude of Project Authority	15	45	0	0	0	60
Compensation determination process	15	45	0	0	0	60

NA = no answer.

Source: Field Survey, Kolkata Environmental Improvement Project Case Study (2006).

102. Eight percent of the respondents said their incomes have improved and in fact were better than before, 75% said that their incomes did not change after resettlement, and 17% did not provide an answer. Seventy-one percent said that their assets were better than before (29% did not provide an answer). Table 21 provides the results of the survey. However, caution should be taken before arriving at a general conclusion regarding these positive results because social development inputs have just been recently put in place.

Table 21: Income/Livelihood Restoration

	Definitely Better Off	Better Than Before	Same as Before	Worse off Than Before	NA	Total
Income	—	5	45	0	10	60
Assets	—	25	0	0	10	35

NA = no answer.

Source: Field Survey, Kolkata Environmental Improvement Project Case Study (2006).

103. All of the respondents knew that the Project was implemented with the assistance of ADB. Moreover, of the 60 respondents surveyed, 83% said they appreciated the fact that they

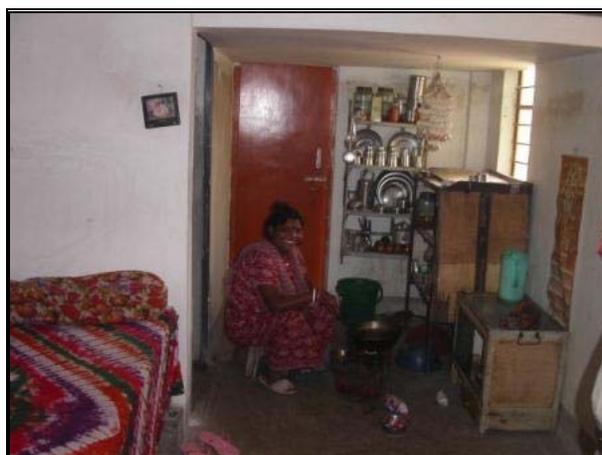
were able to get houses through ADB's assistance in the Project despite being non-titled settlers (Table 22). According to these APs, ADB's policies of providing benefits to encroachers like them have helped them to mainstream and achieve tenure security.

Table 22: Attitudes to ADB's Involvement in the Resettlement Process

Site	Awareness of ADB's Involvement in Resettlement			ADB's Involvement Improved Resettlement		
	Yes	No	Total	Yes	NA	Total
VAMBAY	25	0	25	15	10	25
Transit Camp	25	0	25	25	0	25
Uttar Kalikapur	10	0	10	10	0	10
Total	60	0	60	50	10	60

ADB = Asian Development Bank, NA = no answer.

Source: Field Survey, Kolkata Environmental Improvement Project Case Study (2006).



In a 17m² apartment in the Vambay scheme



Starting a business in the scheme

8. Other Issues

104. Following are some issues regarding the implementation of resettlement activities not yet discussed in the previous sections.

105. **Lack of coordination among implementing agencies.** One civil works contract was terminated due to the opposition of local councilors because the community leaders were not adequately consulted before the selection of the site.

106. **Weak administrative procedures.** The resettlement budget did not stipulate estimates of the entitlements of APs (i.e., the amount of subsistence allowances to be provided to affected households, etc.). This situation led the PIU to add another level of procedural aspects which caused substantial delay in establishing the amount of subsistence/disturbance allowance. For instance, approval should be sought from different levels of the bureaucracy (starting from the Mayor, the Commissioner of the Municipal Affairs Department/Government of West Bengal, and from the Department of Finance). After more than 2 years of loan effectiveness the Government of West Bengal approved the revised entitlement matrix in July 2004. However, the entitlement matrix again underwent drastic changes after one year.

E. LOAN 1839 IND: WESTERN TRANSPORT CORRIDOR³⁰

1. Background

107. The Western Transport Corridor, comprising National Highway No. 8 (NH8) and NH4, connecting Delhi, Mumbai, Bangalore, and Chennai, is one of the busiest corridors in India. The section between Bangalore and Mumbai falling within NH4 also has high traffic volume. Constructing an efficient, continuous transport linkage throughout the Western Transport Corridor was considered to have a significant impact on overall economic growth and also allow benefits from recent economic growth to spread to the poorer areas.

108. The Western Transport Corridor Project aimed to advance policy reforms in India to create an enabling environment for the sustainable development of NH systems with substantial participation of the private sector. The Project was designed to achieve four specific objectives: (i) remove capacity constraints on a critical section of the Project highway; (ii) enhance road safety by introducing design features that would reduce traffic accidents and minimize negative impacts of road construction for people within the Project highway; (iii) enhance corporate finance capability of the National Highways Authority India (NHAI) to facilitate its eventual transition to an efficiently managed autonomous entity, including possible corporatization; and (iv) increase private sector participation in the development and Operation and Maintenance of the national highway systems. The Project included the upgrading of the existing two-lane single carriageway to a four-lane highway on the Tumkur-Haveri section (about 259 kilometers) of NH 4 in the state of Karnataka. Support was also provided for road safety, capacity building and project implementation including land acquisition and resettlement activities.

109. The total cost of the Project was estimated at \$378.0 million equivalent, for which ADB approved a loan of \$240.0 million on 20 September 2001. The Project was still ongoing at the time of the project case study site visits, but is expected to be completed by December 2006 with NHAI as the EA.

2. Scope of Land Acquisition and Resettlement

110. The Project was foreseen to have land acquisition and resettlement impacts. For this reason, a draft RP was prepared and submitted to ADB prior to project approval. The RP provided (i) the extent and nature of losses of the APs, (ii) the policies and legal framework, (iii) provisions made for compensation payments and relocation, and (iv) accountability in implementing the RP.

111. The Project required the acquisition of 1,601 acres of land, of which 1,341 acres were agricultural land, 173 acres nonagricultural land, and the remaining 87 acres government land. Land acquisition was projected to affect an estimated 18,906 persons. However, because of strip acquisition, impacts were not expected to be significant.

³⁰ The data for this summary are drawn from the project case study conducted for this SES from March to April 2006 by Dr. Aqueel Khan, Staff Consultant. Complementary data is drawn from the Project's Report and Recommendation of the President (ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of India for the Western Transport Corridor Project*. Manila)

112. The Project also required the acquisition of 541 privately owned structures,³¹ affecting 541 families or 3,246 persons. No relocation sites were required since all affected households opted to self-relocate. In addition, 1,860 persons without titles in 310 families would be affected by the acquisition of 310 structures. A total of 27 government-owned structures would also have to be acquired, including social infrastructure such as schools, clinics, and government offices.

113. The PIU of NHA was responsible for the supervision of the planning, implementation, and monitoring activities associated with the RP. The PIU had a resettlement cell for each district, supported by district-level committees comprising representatives of district administration, revenue, *panchayats*,³² APs and NGOs. NHA engaged the services of NGOs to provide counseling to APs and assist in implementing the RP, particularly in disbursing compensation packages as prescribed in the entitlement matrix. The NGOs' role was to ensure that legitimate grievances of the APs were redressed and vulnerable groups among the APs given special attention.

114. The implementation of the RP, including land acquisition, was to be completed within 18 months from the start of the Project. Implementation of the RP including land acquisition and resettlement costs and services of NGOs, was estimated to cost Rs750 million (or \$15.9 million equivalent³³).

115. Forty-four shops were relocated under the Project. These were mainly owned by displaced non-titled APs who had been operating shops along the Highway for at least 18 years and had proof of *panchayat* license and record of stay. According to interviews with the APs, the 44 shop-owners had organized themselves into the Sri Maruthi Squatters Association (SMSA) in 2001. The SMSA had so far collected a total of Rs70,000 (or \$1,485) to buy the 1 acre land for their relocation site that NHA had bought from the State Government. In addition, SMSA also covered the cost of the operating license from the local *panchayat* at RS14,000 (or \$297) through member contributions. NHA had constructed the shops and allotted Rs2,000 (or \$42) to each member of the 44 families as cash assistance. However, the APs refused to take this assistance since they preferred working capital to re-establish their respective businesses.

3. Compensation and Entitlements

116. A detailed entitlement matrix was developed that set out the losses, compensation, entitlements, and accountabilities associated with impacts under the Project. Land losses suffered by the APs have been categorized under two categories: (i) APs losing a part of their houses, and (ii) APs losing entire houses. Provisions had also been made for loss of orchard lands and private factory lands. In general, compensation at market rates would be paid to all persons losing lands. Compensation for loss of structures was computed at current construction (replacement) cost levels. Income losses would be compensated accordingly. The cut off date for eligibility for entitlements was the date of completion of the census surveys for non-titled APs (April–May 1999 for Tumkur-Harihara section and December 2000 for Harihara-Haveri section) and publication of notification under section 3A(i) of NHA act for landowners.

³¹ Of the privately owned structures, 204 were to be fully acquired and 337 partially acquired.

³² *Panchayats* are village level representatives.

³³ Exchange rate used: \$1.00 = Rs47.13.

117. Informal dwellers, with residences and/or shops, would be compensated for loss of assets at replacement value and shifting assistance would be provided. They would also be entitled to training if they chose to enroll in the training courses provided by the Project and be allowed to be relocated to a resettlement site as close as possible to their present location. The PIU would develop a vendors market if more than 50 shopkeepers were affected and they would be allowed to set up shop in the market rent-free for the first six months. Encroachers on government land who were private owners would be notified to remove their structures before civil works commenced and were allowed to salvage materials from the demolished structures, but no other compensation would be provided to them. Vulnerable families in this category would be assisted on a case-to-case basis to improve their incomes and compensated for their lost assets at replacement value. Public utilities such as water tanks, bore wells, and water pumps; public buildings such as schools, hospitals; common property resources; and boundary walls would be affected. The original alignment design was altered to minimize negative impacts, particularly land acquisition and resettlement; bypasses would be constructed to avoid heavily populated areas.

118. ADB's IR Policy stipulated that compensation for APs will be at replacement value of the asset. However, the laws and regulations in India, particularly the Land Acquisition Act, allow compensation at market value which is decided based on the asset registration value and is generally lower than the replacement value. In the case of agricultural land, the NHAI used the following method³⁴ to calculate the replacement value of land:

- (i) The guideline value of the circle rate of the agricultural land as set by the Sub-Registrar for different categories of such land;
- (ii) Sale deed value or asset registration value; and
- (iii) Calculating twenty times the annual yield of the agricultural land.

119. There was no established formula to derive the replacement value for urban land. Thus, NHAI calculated compensation as per the National Highways Act at government rate. A provision for arbitration was made available to the APs, wherein the APs could appeal to the Arbitrator in case they were dissatisfied with the compensation received.

120. According to the findings of the field visits and interactions with APs in connection with the project case study, the compensation was allocated to APs in December 2002 or several months after the land acquisition notification was awarded between 2000 and 2001 and the issuance of the notice to land owners in 2002. After the receipt of the award in 2003, the APs approached the Arbitrator but only received assistance between 2004 and 2005. The APs related that it took them endless trips to the Arbitrator and NHAI office before they were able to receive their compensation, thereby rendering the whole process slow and inefficient.

³⁴ The highest among the three is paid as the market replacement value to the AP for his/her affected asset



Tumkur road



Resettlement site in Tumkur

4. Income/Livelihood Restoration

121. The entitlement matrix in the RP provided for (i) additional support to vulnerable households (female-headed households, disabled, those below the poverty line, elderly persons, Scheduled Castes or Scheduled Tribe groups) losing their primary source of income in the form of assistance for vocational training at a lump sum amount of Rs3,000 (or \$64) per entitled person; (ii) economic rehabilitation support and training and in case the money was not spent for a training program, the equivalent amount was to be paid as per the entitled person's choice for instance through other income generating means (such as buying livestock); and (iii) link-ups with other government schemes. However, APs mentioned that this assistance was paid only to agriculture titleholders, thereby constituting a violation of the RP. Moreover, interviews with APs found that the training they had undergone was not effective in helping them restore their pre-project income levels.

122. Moreover, non-titled APs were provided with a relocation site near their original locations. However, the area did not generate as much economic activity. The newly established shops remained either idle or non-operational and APs became ambulant vendors along the highway or in nearby villages. A new vendors' market complex was planned to be constructed within the relocation site and most APs were planning to shift to the new complex. However, during the time of the field visit in connection with the project case study, the new market complex did not have basic services such as electricity, water, or toilets despite repeated assurances by both NHAI and ADB Review Missions.

123. Furthermore, the APs informed the project case study team that the allotment for their shops in the relocation site was made in 2003 despite the fact that the APs had been evicted from their original locations in 2002. All the APs had to undergo economic hardship for a year and a half since no assistance was provided to them during this time. According to them, it took nearly two years for them to re-establish their livelihoods.

5. Consultation and Information Disclosure

124. Disclosure of the Project's scope and impact as well as the RP is mandatory under ADB's IR Policy. The Project had made attempts at informing the APs regarding the Project's scope and entitlements. In fact, NHAI said that a summary of the RP had been distributed before the project started. APs had been given one month to respond with comments. Responses received as well as proposed changes to the RP would be reviewed and the final

RP would be translated into Kannada and be made available at the commissioner's office in each district. The executive summary was translated and distributed to *panchayat* offices.

125. Based on the findings of the project case study, 53% of respondent APs said they were unaware of community consultations while 47% confirmed that community consultations had indeed been undertaken in their villages (Table 23).

Table 23: Community Consultations Conducted

Responses	No. of APs	% Share
Yes	17	47
No	19	53
Not aware of such an event	-	-
Total	36	100

AP = affected person.

Source: Western Transport Corridor Project Case Study, 2006.

126. Table 24 shows that 33% of the APs learned of the Project when census surveys were conducted. Other sources included newspaper reports (31%) and Land Acquisition Notices (26%). APs also received information regarding the Project from a number of other sources such as fellow villagers (6%) and from people involved in the construction of the Project (3%).

Table 24: Sources of Information about the Project

Information Sources	Number of Responses	% Share
Through land acquisition notice	9	26
Through census survey	12	33
Through technical survey	-	-
Through newspaper	11	31
At the time of the project construction	1	3
Through villagers	2	6
Government officials/ <i>Patwari</i>	-	-
Through <i>Panchayat</i>	-	-
At the time of demarcation of the alignment	-	-
No response	-	-
From husband	-	-
Through NGO	-	-
Total	36	100

NGO = nongovernment organization.

Source: Western Transport Corridor Project Case Study, 2006.

127. Eighty-six percent of the respondents stated that they did not know about a disclosure workshop. Pamphlets detailing the Project's scope and available entitlements were distributed to APs in the vernacular. However, the awareness and distribution of the pamphlet largely remained faulty with very few APs (8%) having received it.

Table 25: Awareness of Public Disclosure Workshop or Distribution of Pamphlets

Response	Number of APs	% Share
Yes	3	8
No	31	86
Not aware of such	2	6
Total	36	100

AP = affected person.

Source: Western Transport Corridor Project Case Study, 2006.

6. Grievance Redress and Benefit Monitoring and Evaluation

128. The RP stipulated that grievance redressal committees (GRCs) were to be instituted at each district. APs with grievances at any stage of implementation of the RP could submit their grievances to the GRC. The GRCs comprised of the project director (NHAI); district commissioner or his representative; a local representative of affected persons (AP)/displaced persons; resettlement officer (NHAI); competent authority for land acquisition; NGO representatives; and *panchayat*.

129. According to the RP, monitoring was to be continuous throughout the implementation of the land acquisition and resettlement activities. A high-powered committee comprising of secretary-level officers of state and NHAI was responsible for monitoring the functions of the district-level committees and GRCs and the overall implementation of the RP. The PIU was tasked to submit quarterly progress reports to the NHAI headquarters, which would then be submitted to ADB. Monitoring was to be carried out for three years from the date of the implementation of the RP. External monitoring and evaluation of resettlement activities was to be carried out by a suitably qualified external agency.

130. The limited survey conducted among 36 APs would indicate (Table 26) that the grievance redress mechanism was only half effective in resolving any Project-related grievances of APs. According the interviewed APs, 78% had Project-related concerns, but only 28% indicated that they knew where to lodge their complaints/grievances. The other respondents stated they did not know where they could go to take their concerns. A majority (94%) stated that they were not informed about the grievance redressal mechanism. However, when asked if they had approached project authorities regarding their concerns, half said yes and half no.

Table 26: Project-Related Grievances

Responses	No. of Responses	% Share
A. Did you have any project-related concerns or grievances?		
Yes	28	78
No	8	22
No Response	-	-
Total	36	100
B. If yes, did you have any information where you could take your project-related queries, questions, grievances or concerns?		
Yes	10	28
No	18	50
Not Applicable	8	22
No response	-	-
Total	36	100
C. Did anybody from the project provide you the information as to where you could take your grievances for redressal?		
Yes	2	6
No	34	94
Don't know/No response	-	-
Total	36	100
D. Did you approach the project authority of the Grievance Redressal Committee for the resolution of your grievance?		
Yes	18	50
No	18	50

Don't know/No Response	-	-
Not applicable	-	-
Total	36	100

Source: Western Transport Corridor Project Case Study, 2006.

131. Furthermore, the project case study observed that although an external monitoring agency was hired to monitor the implementation of the RP, this was demobilized in 2005 before the completion of the resettlement and rehabilitation activities.

7. Issues

132. **Inadequate consultation and information disclosure.** Although the Project had made efforts at disclosing the project scope and entitlements, the APs felt that the consultation and disclosure process was faulty since only a handful of them were able to get pertinent information about the Project.

133. **Timeliness of compensation and inadequacy of livelihood restoration measures.** The provision of compensation to APs was not provided on time. According to findings of the field visits, the APs received their compensation several months after the land acquisition notification was awarded despite repeated attempts by APs to call the attention of the Arbitrator and NHAI. The APs likewise related that the livelihood assistance allocated for APs as stipulated in the RP was provided to agriculture titleholders only. Moreover, the training courses provided by the Project were not effective in restoring the APs' pre-project income levels. The non-titled APs who were relocated to a resettlement site had a hard time restoring their pre-project income levels due to: (i) the inadequacy of economic activity in the resettlement site; (ii) no assistance was provided for the APs for nearly two years (from the time of the allotment for their shops in the relocation site and the time of their eviction from their original locations).

134. **Definition of vulnerable groups.** One of the issues encountered was the definition of vulnerable groups. The Project defined vulnerable groups as female-headed households, Scheduled Tribes, Scheduled Caste, disabled and elderly households, and those living below the poverty line. Since this definition was rather generic in nature, all female-headed households, disabled and elderly households, all Scheduled Tribes and Scheduled Caste households along the road, regardless of their economic status and actual vulnerability, became eligible for additional assistance like lumpsum allowances and training. For instance, the policy provision for additional assistance was utilized by economically well-off female-headed families.

135. **Role of NGOs.** An NGO (Development Management Trust) was hired to assist the EA in effectively implementing the RP and to provide counseling to APs. An NGO tasked to undertake such responsibilities would need to have a strong local presence and maintain close rapport with APs. The project case study found that the NGO was not as effective as originally envisaged. The NGO was not locally based, thus, it could not be expected to immediately have rapport with the APs and to be culturally sensitive to the Project-affected villages. Most of the time, the APs perceived the NGO as "an agent of NHAI" and not as an independent organization who would look out for their interests. According to the findings of the case study, the NGO failed to design and provide for the effective income generating activities of APs. The NGO did not act as the facilitator to guide and counsel APs on how best to utilize their compensation and assistance packages, or in creating linkages between APs and the government's development schemes, local finance institutions, and to encourage enterprise development. Moreover, the NGO did not play an active role in coordinating with the contractors

in providing preference to APs in terms of employment during the project construction, thus only a few APs were employed.

F. LOAN 1870-IND: WEST BENGAL CORRIDOR DEVELOPMENT³⁵

1. Background

136. The West Bengal Corridor Development Project aimed to support the development of a transport corridor in West Bengal that would promote subregional economic activities, reduce poverty, and facilitate trade by removing critical capacity constraints and improving transport efficiency. The development of the West Bengal Corridor would remove a critical bottleneck in the movement of freight and passengers from the northern parts of West Bengal, the northeastern states of India, and neighboring Bhutan and Nepal to the ports of Kolkata and Haldia. The Project consisted of (i) widening and improving about 370 kilometers of the National Highway 34 (NH 34); (ii) upgrading and improving 150 kilometers of state highways (SH1 and SH10); and (iii) rehabilitating 100 kilometers of rural access roads.

137. The Project had two EAs. The Ministry of Road Transport and Highways (MORTH) was the EA for the national highway component and the West Bengal Public Works Road Department (WBPWRD) for the state highway and rural access components. Project Implementation Units (PIUs) within MORTH and WBPWRD were responsible for overall implementation of the Project's components. However, in June 2005 ADB approved the transfer of implementation responsibilities for the NH component from MORTH to the National Highways Authority of India (NHAI).

138. The Project is still ongoing and is expected to be completed by June 2007. The cost of the Project was estimated at \$323.0 million equivalent, for which ADB approved a loan of \$210.0 million in December 2001. Upon the request of the Government of West Bengal, ADB cancelled \$116.3 million from the total loan amount for the NH 34 component in October 2005. The reason was a new plan to convert the existing road into a four-lane dual carriageway highway. At the time of the cancellation of the component, significant project preparatory work, including resettlement activities, had already been completed. One of the reasons given for not requesting ADB to support the new plan with a new loan was the onerous resettlement preparation that would be involved.

³⁵ The data for this summary are drawn from the project case study conducted for this SES from March to April 2006 by Mr. Arup Khan, Staff Consultant. Complementary data is drawn from: (i) the Project's Report and Recommendation of the President (ADB. 2000. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of India for the West Bengal Corridor Development Project*. Manila); and (ii) Aide Memoire for the Operations Evaluation Mission: India (March 2006).



The old road (SH1)

The expanded road (SH1)

2. Scope of Land Acquisition and Resettlement

139. A detailed social analysis was carried out during project preparation in accordance with ADB's guidelines. The social impact assessment included a census-survey with primary and secondary stakeholders on the road alignments to assess the potential social impacts of the Project and determine the attitudes of residents within the project-affected area towards the Project. The communities were all supportive of the Project owing to the significant economic benefits to be generated. The social impact analysis indicated that the adverse impacts of the Project would be minimal. Since the Government largely owned the right-of-way (ROW) required for the Project, land acquisition would be minimal.

140. Despite limited land acquisition, the improvement activities affected roadside communities such as small shops/businesses characterized by ribbon development on both sides of the existing highways, on the ROW. These small business enterprises (SBEs) were largely run by informal dwellers/squatters and encroachers. The SBEs were concentrated around bus/truck stops, roadside markets, and major intersections, where traffic congestion was already high.

141. A full census of all potentially affected SBEs and households on the project corridor of impact was conducted in 2000 and in 2001. In all, 9,214 SBEs, 1,328 households, and 452 community properties were counted as liable to be affected by the Project. In addition, over 4,000 employees of SBEs would be affected by disruption and temporary loss of employment. Based on consultation with various stakeholders and project social analysis, the project engineering team developed a set of improved guidelines for alignment design to minimize displacement, reduce disruption of livelihoods, and provide better management of ROW for future road expansion and development. The census inventory was to be verified and updated based on the actual impact once the road alignments and designs were completed.

142. The Government prepared a full RP in 2001 which was in accordance with the Land Acquisition Act (1894), the West Bengal Amendment Act—Land Acquisition (1999) and ADB's Involuntary Resettlement (IR) Policy. The resettlement plan (RP) undertook an integrated and holistic approach to dealing with project impacts and focused on rebuilding lives and livelihoods of those affected through the use of an innovative ROW management and development

approach. It was designed to involve all stakeholders, including roadside communities and other user groups, in project planning and implementation.

143. The PIU of WBPWRD was responsible for the implementation of the RP. Land Advisory Committees were formed in each of the districts to facilitate implementation of the RP with local inputs, ensure transparency and accountability of the resettlement program and people's entitlements, and safeguard the interests of the most vulnerable people. The Land Advisory Committees were responsible for reviewing and finalizing the replacement costs of various structures and other compensation/assistance. The total cost for land acquisition and resettlement activities was estimated at Rs618.5 million (or \$13.3 million equivalent³⁶).

144. Only 5.7 hectares of land had to be acquired for the Project, of which only 3.43 and 2.27 hectares were acquired for SH10 and SH1 respectively. In SH10, the acquisition was for the construction of a new by-pass called Patiram. There was no acquisition for widening and improvement of the road. However, in SH1, the acquisition of land was for road improvement. The RP included this information since it could only be gathered at the alignment design stage.

145. A comparison of Project impacts is presented in Table 27 as gathered by the project case study team.³⁷ There was a significant variation between the number of affected persons (APs) as estimated in the RP of 2001 and that during implementation. In the case of SH 10, the number of informal dwellers affected was almost 50% lower, while the number of legal title holders (LTHs), in SH1 was 9–10 times higher than the estimate in the RP. The total number of APs in SH1 and SH10 was almost 63% lower than the RP estimate while the number of LTHs had increased by almost 11 times. This had a major impact on the overall project implementation time frame. A crucial issue was that the baseline census information of APs was not accurate since the data was collected in the absence of a design for the proposed alignment. This may have contributed to the delay in the implementation of the RP. On the other hand, the RP preparation in the rural access roads component went hand in hand with the detailed design of the alignments.

Table 27: Comparison of Project Impacts

Package/Component	Land Acquired At Implementation Stage (in hectares)	Affected Persons (RP 2001)			Affected Persons (as of March 2006)		
		LTH	ID	Total	LTH	ID	Total
SH10: Package D	3.43	12	1,230	1,242	114	617	731
SH1: Package E	2.27	86	1,873	1,959	898	1,344	2,242
Rural Access Roads	-	-	85	85	-	801	801
Package F: 7 sections							
Total (Package D, E and F)		98	3,188	3,286	1,012	2,762	3,774
NH Component							
Package A			4,975	4,975		2,568	2,568
Package B			1,909	1,909		1,516	1,516
Package C			1,813	1,813		1,180	1,180
Total NH Component	-	143	8,697	8,840	-	5,264	5,264
Total	5.7	241	11,885	12,126	1,012	8,026	9,038

ID = informal dweller, LTH = legal title holder, NH = national highway, RP = resettlement plan, SH = state highway.
Source: West Bengal Corridor Development Project Case Study (2006).

³⁶ Exchange rate used: Rs46.50 to \$1.00.

³⁷ The project case study conducted field visits in project affected areas in early 2006 as part of the SES.

146. During the field study, the clusters of informal dwellers in SH10 and SH1 were analyzed to understand the reasons behind the difference in the number of APs between the census data referred to in the RP and the verification data in alignment design and RP implementation stage. In the case of SH10, the number of APs decreased as the corridor of impact was reduced from 20 meters to 16 meters. In SH10, the Patiram bypass was adopted to reduce the resettlement impact of the original alignment proposal and to correct geometrics. In the case of SH1, the number of APs was decreased due to a change in alignment, which necessitated more land acquisition.

3. Compensation and Entitlements

147. The RP stipulated that compensation at replacement cost and resettlement assistance were to be provided to all APs and businesses, including the informal dwellers/squatters in the project area. In general terms, the people affected by the Project were entitled to four types of compensation and assistance: (i) compensation for loss of land and crops/trees, (ii) compensation for structures (residential/commercial) and other immovable assets, (iii) assistance for loss of business/wage income, and (iv) rebuilding and/or restoration of community resources/facilities. The entitlement matrix is in Table 28.

148. The affected SBEs and households were entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the people affected. The RP likewise addressed a number of interrelated socio cultural and health issues that normally accompanied road widening and development (e.g., road safety, trafficking of women and children, and HIV/AIDS).



Demolished temple along the road (SH1)



demolished and rebuilt shops

Table 28: Entitlement Matrix

Nature of loss/Assistance	Application	Definition of APs	Entitlements	Results of Action
A. Land Acquisition (Applicable in cases of fresh acquisition and/or legally confirmed ownership rights on existing ROW)				
1. Loss of agricultural/homestead land by owner 1a. Loss of other immovable assets (e.g., trees, tube wells) 1b. Persons with land below minimum economic holding based on West Bengal context.	Land and other assets acquired for project roads and/or legally confirmed ownership rights on existing ROW	Person(s) who have records. Owner of the asset	Land for land or assistance to purchase land. Homestead replacement land with basic civic amenities if necessary, matching with locality and social setting. Compensation for land at replacement cost & allowances. (<i>Land Acquisition Act of West Bengal</i>) If residual plot(s) is (are) not viable, APs will be appropriately compensated for non viable portion of the land. Compensation at replacement/market value Rehabilitation assistance for income restoration, cash or kind to be determined on a case by case basis	Compensation for lost assets. Restoration of livelihood
2. Loss of property (land/structure) by mortgagee	Mortgage property on acquired land and/or legally confirmed ownership rights on existing ROW	Person with legal record	Mortgage clearance to be verified. For vulnerable groups, assistance to be provided in cash/kind for replacement	Restoration of assets/capital
3. Loss of agricultural/homestead land by renter/sharecropper	Land acquired and/or legally confirmed ownership rights on ROW	Renter or sharecropper of land	Cash for loss of crop at market value. Rental assistance based on tenure arrangements (to be deducted from compensation to landlord and/or disbursed by PWRD)	Cash Income for lost crop. Rental assistance
4. Loss of residential/commercial Structures by owner	Structure on acquired land and/or legally confirmed ownership rights on ROW	Owners of the structure	Cash for structure at replacement cost (<i>as per Land acquisition Act of West Bengal</i>) Replacement land or assistance to purchase land as required case to case basis	Compensation for lost assets
5. Loss of residential/commercial Structures by tenants	Structure on acquired land and/or legally confirmed ownership rights on existing ROW	Tenants of the structure	A cash assistance equivalent to the amount of deposit or advance, if any, made by the tenant to the landlord (reduced from compensation, to be disbursed by PIU) Rental assistance for 3 months	Return of unused deposit Assistance to make alternate arrangements.
B. Informal Dwellers/Squatters				
6. Loss of structure by residential squatters	Structure located within existing ROW	Owners of residential structure	Cash for structure at replacement cost Loss of income assistance during relocation – 1 month	Restoration of residence within ROW with civic amenities
7. Residential tenants	Structure located within ROW	Tenants	Rental assistance 1 month	Assistance to find alternate accommodation

Nature of loss/Assistance	Application	Definition of APs	Entitlements	Results of Action
8. Loss of structure by SBEs/owner	Structure located within existing ROW	Owners of SBEs	Cash for structure at replacement cost	Restoration of structure within ROW.
9. Loss of business SBE	Structure on the ROW	Owners of SBEs	Loss of income assistance-lump sum grant based on type of SBE, minimum,-1 month	Restoration of lost income
10. Loss of business SBE tenant	Structure located within ROW	Tenant	Loss of income assistance 1 month	Assistance to make alternate arrangement
11. Loss of land (agricultural/homestead) or structure (residential/commercial) by encroachers	Land/structure located within ROW	Owners who have extended their buildings, agricultural holdings, business premises illegally into the govt. land	Replacement land or compensation at replacement value to vulnerable groups for the loss of structures on a case to case basis.	Cash assistance for lost assets.
12. Loss of non-land assets (tree, tube well etc.)	Households within ROW	Squatters/owners, SBEs located on ROW.	Compensation at replacement cost less salvage value Only to vulnerable groups on a case to case basis	Restoration of lost assets.
13. Shifting or relocation Assistance	Residential squatters/ owners	Encroachers Squatters/ informal settlers/ SBEs on ROW corridor	Included in replacement value for lost assets	Relocation to new sites
14. Loss of work by SBE employees	SBEs on ROW/ Corridor	Employees in the SBEs	Wage for 30 days at local wage rate Employment opportunities connected to the project	Restoration of income
15. Special assistance to vulnerable people	Households/SBEs on the ROW/Corridor	Female-headed household, disabled persons, elderly residing alone	A lump sum one-time grant of Rs500	Additional support for income restoration Link up to relevant Government of West Bengal assistance schemes
16. Loss of community facilities/ common property resources	Structures affected by ROW/ Corridor development	School, mosque/ temples, and other community assets	Cash compensation at replacement value for the structures and improvement grant for the community facilities	Reconstruction of the community facilities
17. Any unanticipated adverse impact due to project interventions	The EA and project implementation authorities will deal with any unanticipated consequence of the project during and after project implementation in the light and spirit of the principle of the entitlement matrix.			

AP = affected person, PIU = project implementation unit, PWRD = Public Works Road Department, ROW = right-of-way, SBE = small business enterprise.
Source: : Project case study for West Bengal Corridor Development Project (2006).

149. In West Bengal, compensation for land acquisition and resettlement assistance for project-affected people were principally governed by the Land Acquisition Act (1894). Act I of the Land Acquisition Act (1894) and the West Bengal Act XIX (1999) provide the framework for carrying out land acquisition cases in West Bengal. The West Bengal Act only covered legal title holders and provided compensation standards for: (i) market value of the land, (ii) a solatium of 30% on the market value for compulsory land acquisition, (iii) additional compensation for trees, crops, houses or other immovable properties, (iv) damage due to loss of land, residence, or place of business, (v) compensation provided to sharecroppers for loss of earning, and (vi) an annual interest of 12% on the market value from the date of notification to actual award.

150. The project case study team registered that several APs felt that the compensation they received did not reflect an accurate replacement value of their land. Based on the Government procedure, the rate to be charged to a buyer for a particular piece of land included a “stamp duty,”³⁸ which was higher than the rate paid to an AP as compensation for the same piece of land. The land valuation under the Land Acquisition Act (1894) was one of the major limitations for determining the rate of compensation. This is one of the major contradictions in the context of ADB’s involuntary resettlement policy and land Acquisition Act.

151. The project case study team analyzed the replacement costs for structures based on construction materials used and the extent of losses³⁹ registered during the verification survey. The replacement cost had been arrived at by multiplying the total units of the structure as measured with the rate provided in Building Schedule Rate of government as per different categories of construction types. As the Building Schedule Rate is usually revised annually, it was quite close to the replacement value but the provisions of the Land Acquisition Act for determining the replacement cost created limitations in providing the market value of a structure⁴⁰ because the depreciation in the cost of a building was deducted from the total building cost.

152. According to the RP, affected informal dwellers were to be provided with compensation for their lost structures at replacement cost. However, the PIU argued that since none of the affected informal dwellers had valid documents for ownership of the structures, it could not allocate payment for fear of legal complications. But the informal dwellers were unable to shift anywhere else unless some assistance was provided to them. In this light, the PIU worked out a reasonable amount of compensation that would suffice to rebuild their residential unit as per their average requirements and for an average sum of money. This system was accepted by the APs as a fair gesture on the part of the Government since it did not discriminate one AP from another. LTHs and informal dwellers affected by the SH component (Package D) received their compensation in 2003. The remaining LTHs whose claims needed additional verification received their compensation in March 2005. On the other hand, payment to APs affected by the SH component (Package E) was completed in 2004. However, when all the payments were

³⁸ The government of West Bengal imposes an additional interest rate as “stamp duty” for transactions involving land acquisition.

³⁹ The extent of loss was determined primarily in terms of the portion of the affected structure. In order to establish the extent of losses, the following steps were undertaken: (i) collected information on total area of the structure affected; (ii) collect information on distance of structure from the existing centerline; (iii) plot the structure on a strip map with existing and proposed alignment; and (iv) the area within the corridor of impact was considered as affected portion.

⁴⁰ Valuation of Structure for Package E, Kapa- Barajaguli Section of SH1, Bhaluka Mouza(JL No.1), District N.24 Pargana, CES, August 2005.

made in accordance with this principle, ADB did not concur and requested the PIU to conduct a second round of payments, this time in accordance with the replacement cost of the actual structures owned by the APs. This meant that richer informal dwellers with bigger structures would be awarded for their illegal activity by a larger amount of compensation; the better off would be paid more than the worse off. This second round proved to be a reason for discontent among APs and more than 700 grievances were lodged.

153. A survey was conducted by the project case study team among 60 respondent APs regarding their perceptions on the compensation they received for their losses (Table 29). Majority of the respondent APs (65%) said they thought that the compensation was “poor” and were disappointed with the amount they received. However, 18% of the respondents said that the compensation provided for them was enough, while 15% said the amount was moderately satisfactory.

Table 29: Perception about Compensation Received

	Enough	More than Enough	Moderate	Poor	NA	Total
LTH	1	—	6	32	1	40
Informal Dwellers	9	1	3	7	—	20
Total	10	1	9	39	1	60

LTH = legal title holder, NA = no answer.

Source: Project case study for West Bengal Corridor Development Project (2006).

154. Ninety-five percent of the surveyed APs received their compensation and other monetary assistance in one installment while 3% received theirs in more than one installment (Table 30). Only one LTH did not receive the compensation due to the absence of pertinent documents needed to establish ownership of lost assets. This case had been referred to the grievance redress committee. Sixty-seven percent of the respondent APs received their compensation and assistance in cheques while 37% received theirs in cash. The standard practice of the NHAI was to assist APs in opening savings accounts in a bank near the resettlement site. However, some of the APs who received their compensation in cheques have experienced delays in encashing them from the rural bank where they opened a savings account. Clearance of cheques from such banks normally takes around two months. During the time of the field survey for the project case study, a total of sixteen APs (from the 40 APs surveyed) have yet to enjoy their compensation since they were still waiting for their checks to be cleared. This meant that the objective of award of compensation before resettlement was not fully achieved.

Table 30: Distribution of Compensation and Assistance and Form of Payment

	Distribution of Payment			Total	Form of Payment			Total
	One Installment	> 1 Installment	Not Received		In Cheque	In Cash	NA	
LTH	37	2	1	40	31	8	1	40
Informal Dwellers	20	-	-	20	7	13	-	20
Total	57	2	1	60	40	21	1	60

LTH = legal title holder, NA = no answer.

Source: Project case study of the West Bengal Corridor Development Project (2006).

155. The project case study also found that some of the surveyed APs preferred alternative forms of compensation other than cash (Table 31). In fact, 43% of the surveyed APs indicated that they preferred physical relocation to cash compensation. According to these APs, project

authorities should provide sites for resettlement and build housing units and amenities and then hand these over to them according to certain terms. Another preference was the provision of land to APs where they could build their shops or a market complex where they could set up businesses.

Table 31: Preference for Alternatives to Cash Compensation

Site	Response					
	Yes		No		No Response	
	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents
LTH	10	16	-	-	30	50
Informal Dwellers	16	27	-	-	4	7
Total	26	43	-	-	34	57

LTH = legal title holder, NA = no answer.

Source: Project case study of the West Bengal Corridor Development Project (2006).

156. The LTHs were not entitled to identification cards based on the decision of the project authority because the compensation due them was paid directly by the land revenue department per the provision of the “record of right” of the Land Acquisition Act (1894). Only the informal dwellers were provided with identification cards. Since SH1 was located near the international border of Bangladesh, the identification cards for informal dwellers were used to identify APs who were entitled to compensation and to distinguish them from the migrants from Bangladesh. The identification cards were kept with the project authority so as to avoid any complications such as proof of citizenship. Of the surveyed informal dwellers, only seven got to see their identification cards and the remaining 13 never got to see theirs but received compensation and assistance just the same.

4. Livelihood Restoration

157. The RP identified various options for mitigation of losses due to the project based on consultations with various stakeholders. The impact on SBEs and households was supposed to be limited due to relocation opportunities on the ROW under new license or contract agreement. This would bring stability to their businesses and provide improved infrastructure and facilities for business operations. The approach would help SBEs achieve the complex objective of income restoration under the Corridor Management Plan (CMP). The CMP was developed at the project preparation stage and took into account the need for developing amenities for road users and organizing roadside shops. The CMP excluded extensive resettlement options for SBEs along the roads since this could result in more poverty, social tension, and uncertain economic future for many illegal dwellers. The CMP proposed that some roadside shops were to be relocated in suitable sites within available ROW or in a nearby Government land. The CMP also proposed that informal dwellers would be mainstreamed and required to pay taxes and rent for the use of the land. ADB and the PIU concurred that the CMP was a better option than disbursing one time financial assistance. However, the Government had not yet acted on its CMP by the time of the field visit of the operations evaluation mission (OEM).

158. The project case study team conducted a survey among APs regarding their perceptions on the status of their businesses/employment after they have been resettled (Table 32). Almost half (46%) of the respondents thought that their business/employment had become worse after the Project the main reason being the loss of their commercial spaces due to the land requirement for the Project. Thirty-six percent of the surveyed APs said that there was no

improvement in their business and employment situation. Only 3% thought that their businesses and employment opportunities had improved after they were resettled.

Table 32: Perception of Status of Businesses/Employment After the Project

	Better off	Same as Before	Worse off	NA	Total
LTH	1	18	13	8	40
Informal Dwellers	1	4	15	-	20
Total	2	22	28	8	60

LTH = legal title holder, NA = no answer.

Source: Project case study for the West Bengal Corridor Development Project (2006).

5. Consultation and Information Disclosure

159. Community consultation and participation played an important role in selecting project options and improving designs for project roads. The RP indicated that PIU officials would conduct information campaigns and publish brochures on the project resettlement principles and entitlements, payments procedures, and construction schedule aimed at social preparation for relocation and resettlement of the affected SBEs/households. The PIU was responsible for hiring two NGOs to help with the information campaign and consultation program, road safety, trafficking, and HIV/AIDS awareness programs in the project area.

160. One of the objectives of the RP implementation process was to facilitate access to information and ensure transparency through information dissemination. As a first step towards achieving such an objective, leaflets were prepared in Bengali (the native language) and distributed to APs, and local government offices. The leaflets contained pertinent information regarding the project including land acquisition requirements, resettlement options, compensation standards and entitlements.

161. In terms of awareness about the RP and its provisions, the survey revealed that 80% of the respondents indicated their awareness of the RP before they were relocated, 18% of the respondents said they were not aware of the RP, while 2% did not provide an answer (Table 33). Eighty percent of the respondents said that they were aware of the extent of their potential losses before their actual resettlement and 18% of the respondents said they were aware of their entitlements for their losses prior to their relocation. Among the respondent APs, 60% said that they were aware of their entitlements before they were relocated while 40% said they have no knowledge of their entitlements prior to their resettlement. In general, the results of the survey showed that the Project's information disclosure procedures were quite effective.

Table 33: Awareness Levels of Selected APs before Relocation

Site	Response					
	Yes		No		No Response	
	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents
A. Awareness of the RP Before Relocation						
LTH	28	47	11	18	1	2
Informal Dwellers	20	33	-	-	-	-
Total	48	80	11	18	1	2

Site	Response						
	Yes		No		No Response		
	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	No. of Respondents	% of Total Survey Respondents	No. of Survey Respondents
B. Awareness of the Extent of Loss Before Relocation							
LTH	31	52	8	13	1	2	40
Informal Dwellers	17	28	3	5	-	-	20
Total	48	80	11	18	1	2	60
C. Awareness of Entitlements Before Relocation							
LTH	23	38	17	28	-	-	40
Informal Dwellers	13	22	7	12	-	-	20
Total	36	60	24	40	-	-	60

LTH = legal title holder.

Source: West Bengal Corridor Development Project (2006).

6. Grievance Redress and Benefit Monitoring and Evaluation

162. According to the RP, the implementation of resettlement activities was to be supervised and monitored by the PIU in coordination with the project resettlement officer and the resettlement advisory and grievances redress committees. The monitoring was to be done both internally and externally. The PIU project director was responsible for preparing monthly reports on the progress of RP implementation. Project supervision consultants would monitor the RP implementation and report on a quarterly basis to the Public Works Road Department (PWRD) and ADB on the progress of resettlement activities. A panel of local experts was engaged by PWRD to conduct independent biannual reviews of resettlement implementation, and provide feedback to PWRD and ADB on the effectiveness of RP implementation.

163. According to the findings of the project case study, a GRC was formed in each of the districts affected by the Project in order to address and sort out all disputes related to the implementation of the RP. The GRC aimed to provide a mechanism to resolve conflicts and cut down on lengthy litigation which could delay the implementation of the Project. The District Magistrate served as Chairman of the GRC and representatives of Zilla Parishad, Executive Engineer of the project road jurisdiction, District Land acquisition Officer and Project Manager served as members.

164. The PIU database for monitoring and addressing the grievances was well organized. Up until the time of the field visit of the project case study team, a total of 1,022 grievances had been lodged, of which 958 were on the exclusion of APs from the 2001 RP census list. A total of 100 grievances were lodged regarding the SH1 component of which 90 were about the unsatisfactory rate of compensation for land.

165. The EA established a monthly reporting system for all resettlement related activities. A management information system was developed to monitor the progress in the field. The Resettlement Unit had taken innovative actions for the smooth implementation of resettlement activities and to improve implementation practices. However, the EA had yet to finalize an external review by independent experts.

7. Attitudes to Resettlement

166. Attitudes regarding the resettlement process expressed by persons interviewed through the questionnaire survey are reflected in Table 34.

Table 34: Attitudes to Resettlement

	Very Satisfied	Generally Satisfied	Dissatisfied	Extremely Dissatisfied	NA	Total
Project adequately consulted the community in planning and implementation process	4	37	12	1	6	60
Adequate amount of compensation and assistance was provided to re-establish pre-project incomes/livelihoods	2	19	21	14	4	60
Loss of business has been adequately mitigated	2	15	19	7	17	60
Attitude of Project Authority	36	14	2	2	6	60
Compensation determination process	4	21	18	7	10	60

NA = no answer.

Source: Field Survey, West Bengal Corridor Development Project Case Study (2006).

167. The surveyed APs were asked whether their incomes and assets had been restored after they were resettled (Table 35). Eight percent said their incomes had been restored, 30% said that their incomes did not change at all after resettlement, 48% said they were worse-off than before, and 13% did not provide an answer. In terms of improvement of the amount of assets, 6% said that their assets were better than before and 30% said there was no change after resettlement. However, more than half of the respondents said they had less assets than before they were resettled.

Table 35: Income/Livelihood Restoration

	Definitely Better Off	Better Than Before	Same as Before	Worse Off Than Before	NA	Total
Income	—	5	18	29	8	60
Assets	—	4	18	31	7	60

NA = no answer.

Source: Field Survey, West Bengal Corridor Development Project Case Study (2006).

168. Eighty-seven percent of the respondents said they were aware that the Project was implemented with the assistance of ADB while 13% said they did not know that ADB was involved (Table 36). The project case study noted that all of the informal dwellers in the survey were aware of ADB's involvement in the Project and that APs without formal land titles like themselves would be compensated under ADB's involuntary resettlement policy. Seventy two percent of the APs stated that they thought ADB's involvement in the Project had helped improve the resettlement process while 28% did not provide an answer.

Table 36: Attitudes to ADB's Involvement in the Resettlement Process

Site	Awareness of ADB's Involvement in Resettlement			ADB's Involvement Improved Resettlement		
	Yes	No	Total	Yes	NA	Total
LTH	32	8	40	23	17	40
Informal dwellers	20	0	20	20	0	20
Total	52	8	60	43	17	60

ADB = Asian Development Bank, LTH = land title holder, NA = no answer.

Source: Field Survey, West Bengal Corridor Development Project Case Study (2006).

8. Issues

169. The OEM and the project case study noted several issues in the implementation of the Project in general and the implementation of resettlement activities in particular. These issues are discussed below.

170. **Confusion over the definition of squatters and encroachers.** Squatters are those that have used land for ROW to construct a structure, for either business or residential purposes. Encroachers can be classified as ineligible and eligible. Ineligible encroachers had private land behind the ROW line and had extended their land by building a structure on the ROW. They were considered ineligible since they occupied land that was to be used for the project (e.g., road widening). Eligible encroachers (eligible for legalization) were those that had built structures on government land but essentially did not occupy land needed for the project. In the case of the Project, most land on the State Highways was occupied by squatters, and some by ineligible encroachers. According to ADB's policy, all those affected by the road's construction would be entitled to compensation, regardless of whether they were squatters or encroachers.

171. **Field verification of deficient lists of APs.** This has been a long drawn process, mainly caused by (i) census of APs before project approval and detailed design of road alignments three years later, coupled with occasional attempts by PIU to adjust roads within the ROW in areas where a lot of squatters would otherwise have to be compensated, and (ii) many changes in the number of squatters over the years, and many cases where photo IDs were issued much later than 2003 (none were issued in 2000 which was the cutoff date).

172. **Differences over the strategy to be adopted with respect to compensation of informal dwellers.** The PIU wanted a uniform set of compensation standards for all dwellers below the poverty line, irrespective of the size of the structure to be demolished. This was in fact, requested and endorsed by the informal dwellers themselves. Since they were considered part of the vulnerable group, they were all provided with the same level of compensation in 2003, irrespective of the size of their structures. The PIU believed this would not cause any grievances. However, ADB staff argued that the procedure used for providing compensation was not in accordance with the provisions of the RP. As per the agreed entitlement matrix, compensation should be based on the replacement value for the lost assets. This meant that more compensation would be paid for the larger structures and more people would be eligible. As a result, a balance payment for the loss of structures was provided to all APs in SH10 and disbursed by end December 2003. However, dissent among the APs started immediately thereafter. At the time of the OEM field visit, the situation was yet to be resolved on account of the perceived discrimination created by disbursing different amounts of compensation to different categories of encroachers, who thought they were all equally illegal.

173. **Inadequate RP at the project preparatory stage.** Poor quality and inadequate quantity of census data in the Project's RP created problems during the implementation phase. As a result, implementation delays and cost overruns were incurred eventually leading to increased transaction costs. An effective social assessment at the project preparatory stage must be ensured in order to formulate a sound and realistic RP.

174. **Weak institutional capacity of EA.** Lack of experience of EAs in resettlement implementation and inherent limitations in management of institutional linkages in land acquisition processes delayed the Project's implementation. Officials from the revenue

department were unaware of the loan agreement's assurances/covenants as well as local procedures and standards.

175. **Weak supervision and monitoring by ADB.** ADB's capacity to supervise and monitor the Project was inadequate. The lack of proper supervision resulted in noncompliance with the involuntary resettlement policy.

176. **RP schedule and implementation.** The preparation and implementation of the RP should be organized according to schedules of the civil works. It was evident that the RP implementation schedule and Project schedule were not complementary. Implementation needs to follow an incremental approach with a time-bound set of actions where pre-project activities and civil works move together in a phased manner.