

Resettlement Framework

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**SRI: Kelani Valley Railway Improvement Programme -
Phase 1 (Maradana to Padukka)**

Prepared by the Sri Lanka Railways, Ministry of Transport and Civil Aviation,
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ABBREVIATIONS

DOR	Department of Railways
DRC	Depreciated recovery cost
EA	Executive Agency
EAC	Entitlement Assessment Committee
EIA	Environment impact assessment
FGC	Focus group consultations
GN	Grama Niladhari
GRC	Grievance redress committee
GRM	Grievance redress mechanism
IA	Implementing agency
LAA	Land Acquisition Act 1950
MFF	Multi-tranche Financing Facility
MLLD	Ministry of Land and Land Development
MFF	Multi-tranche Financing Facility
MLLD	Ministry of Land and Land Development
NIRP	National Involuntary Resettlement Policy
PAPs	Project-affected persons
PIU	Project implementation unit
PMU	Project management unit
PPTA	Project preparatory technical assistance
RAP	Resettlement Action Plan
SIA	Social Impact Assessment

GLOSSARY

Cut-off-date: For land or dwelling units or other assets such as structures to be acquired from titled landowners, occupants, leaseholders, squatters or others, the date of notification for acquisition under the Land Acquisition Act (LAA) will be treated as the cut-off date. For non-titleholders such as squatters and informal settlers, encroachers, tenants and leaseholders, the date of the project census or a designated date declared by executive agency (EA) in consultation with Divisional Secretaries of the affected areas will be considered as the cut-off date for compensation and relocation assistance.

Disturbance: Disturbances such as dust and noise pollution, disruption to livelihood sources or living arrangements caused to normal living of a person or a household arising from compulsory acquisition of private land, encroached land, leased land, rented land or any property on such land used by the affected person or household.

Entitlement: A variety of measures including compensation, income restoration and interim support, transfer assistance, relocation to a new dwelling unit and other benefits given to project-affected-persons (PAPs) to restore and improve their post-displacement socioeconomic conditions. Displacement can take two forms: physical displacement or economic displacement. A person or a household can experience one or both because of a project.

Entitlement Assessment Committee: Project specific committee (similar to the LARC in 2013) that was formed with cabinet approval and participation of representatives from relevant government agencies to facilitate determining the adequate compensations for affected PAPs and other related activities in the resettlement process through agreed provisions which are not available in the existing laws and regulations.

Entitlement matrix: It identifies and records categories of eligible persons, households and communities for compensation and their specific entitlements under the project, and what agency/department is responsible to deliver on time.

Host population: Persons, households and communities who reside in resettlement areas where PAPs are relocated.

Income restoration: Re-establishing income sources and livelihoods of PAPs to pre-project level in real terms.

Injurious affection: Adverse impact on the value of the remaining land due to the acquisition of a part of a land.

Inventory of losses: Complete and accurate count of houses, land, business structures and other assets on land that will be affected or destroyed by the project.

Involuntary Resettlement: The unavoidable physical or economic displacement of persons arising from a development project. In case of physical displacement, PAPs need assistance to rebuilding their livelihoods, incomes and asset bases, and social and cultural systems. If economically displaced, PAPs still need assistance to restore their livelihood and assets.

Project-affected persons (PAPs): Any person or an agency or an institution who/which as a result of the implementation of a project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural or commercial), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.

Rehabilitation: Re-establishing and improving incomes, livelihoods and social systems of PAPs.

Relocation: Moving PAPs and their moveable assets, rebuilding their houses, developing new land and housing units, and providing public infrastructure at the relocation site.

Relocation Plan: This is a component of a RAP, if physical displacement of PAPs is involved. The key components of the relocation plan are income restoration and improvement, and social integration of PAPs with the host community.

Replacement cost: The method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets are not to be considered. For losses that cannot easily be valued or compensated in monetary terms such as access to public services, customers and suppliers; project will establish access to equivalent and culturally acceptable resources and earning opportunities.

Resettlement: Involuntary physical or economic displacement of persons caused by a project that covers compensation, relocation and rehabilitation measures to mitigate the effects of such displacement.

Resettlement Budget: A detailed breakdown of all costs of a resettlement action plan (RAP). This is a part of project costs.

Resettlement effects: Loss of physical and non-physical assets, including homes, communities, productive land, income earning assets and sources, resources, cultural sites, social structures, networks and ties, cultural identity and mutual help mechanisms.

Resettlement Action Plan (RAP): Time bound action plan with a budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring, evaluation and reporting.

Severance: Dividing a landholding into two or several parts due to the acquisition of the middle portion for a public purpose.

Social preparation: a process of consultations with PAPs conducted by the executive agency of the project before key involuntary resettlement decisions are decided

Value to owner. Valuation based on actual cost to the landowner.

Vulnerable groups: Distinct groups of poor and helpless people who might suffer disproportionately from resettlement effects. Among them are the old, the young, the handicapped, poor, isolated groups and female-headed households without family support.

PROJECT MAP



Map of Project Area – KV Rail Phase - 01

SRI: Kelani Valley Railway Improvement Programme - Phase 1

Resettlement Framework

I. INTRODUCTION

- 1.1 This Resettlement Framework (RF) outlines the principles and procedures that guide the formulation, implementation, and monitoring of resettlement action plans (RAPs) of the proposed Kelani Valley Railway Improvement Programme - Phase 1 (KV Rail Phase 1). The principles and procedures are distilled from Sri Lankan laws, regulations, relevant Cabinet papers, Government Orders, and guidelines, and also from the involuntary resettlement policy component of the Safeguard Policy Statement published by Asian Development Bank (ADB) in 2009. The RF highlights the specific requirements that the executive agency (EA) of the Project has to meet in the formulation and implementation of a RAP for a subproject or a project component.
- 1.2 The RF identifies potential resettlement impacts by using the screening and categorization forms. It summarizes policy and legal framework that applies to the subprojects or components. It outlines the structure of a social impact assessment and the requirements of public consultations. It identifies institutional arrangements required for implementing the RAP and monitoring of resettlement implementation results, principles and procedures of the grievance redress mechanism (GRM), and how to prepare a resettlement budget, which is an integral part of the resettlement plan. ADB will review each RAP during the due diligence process, according to the RF requirements.
- 1.3 The Ministry of Transport and Civil Aviation is the Executing Agency (EA) of the Project. EA is responsible for formulating a RAP for each subproject of the Project and for submitting it to ADB for review and approval before any physical work at project sites is initiated. It is also responsible to implement the RAP, monitor its implementation and report results. If the project is divided into subprojects or components, for each subproject or component there will be an implementing agency (IA). It receives guidance from EA. An IA is directly reporting to the EA.
- 1.4 In the context of KV Rail Phase 1, the need for a RF arises from the fact that the development intervention takes the form of a Multi-tranche Financing Facility (MFF). MFF requires a RF before ADB approves the MFF and its first tranche. Moreover, RF helps future resettlement planning of subprojects/components by consolidating common features of RAPs such as policy and legal framework, entitlement matrix and institutional arrangements to implement RAPs. Moreover, an approved RF indicates the borrower's commitment to consistently follow the resettlement best practices found in the local regulatory framework and in ADB' involuntary resettlement safeguard policy.

II. THE PROJECT

1.5 The Colombo Suburban Railways Project (CSRP) is a key development intervention in Sri Lanka's national development. It is designed to improve the railway network, services, and facilities in the Colombo suburban areas. This project is expected to meet the increased expected demand for railway lines, networks, services, and facilities during next 20 years. The main objective of the Project is to provide high quality transport services by modernizing the railway infrastructure with matching state-of-art modern technology and best practices. This objective is to be achieved through improved safety intelligence and signalling system; travel time reduction; increased revenue from modal shift from bus to rail, private vans/cars to rail; ticket fare increase; and reduction of revenue leakages.

1.6 CSRP will have several benefits. Chief among them is efficient and cost-effective services to railway passengers thereby making the Railways the most frequently used transport mode. The Project will resolve traffic congestion by reducing the inflow of vehicles to Colombo. It will modernize railway stations for the benefit of passengers especially for the comfort and security of women and children. The project will act to increase safety of railway passengers. The Project will construct new parallel lines and rehabilitate existing lines by focusing on railway electrification. It will support the improvement environmental benefits such as better air quality by minimizing emission and sound pollution. It will cooperate with other stakeholders in the transport sector in Sri Lanka and maintain an efficient and well-integrated transport service.

1.7 The key subprojects of the CSRP are:

- ✓ Development of the existing single line Kelani Valley Line as a double line railway line from Maradana to Padukka; and improving the existing single line from Padukka to Avissawella; with modernized railway stations and signal system (Kelani Valley Railway Subproject)
- ✓ Development of the Main Railway Line from Maradana to Ragama as a four-track railway line; Ragama to Veyangoda as a three-track railway line; and the modernization of the existing double line from Veyangoda to Rambukkana.
- ✓ Development of the Coastal Railway Line from Colombo Fort to Panadura as a three-line section; and the rehabilitation of the existing double-track railway line from Panadura to Kalutara.
- ✓ Development of the Puttalam Railway Line from Ragama to Negombo as a double-line section, and the connection of the Line with the Bandaranaike International Airport, Katunayaka.

2.4. A decision has been taken by the GOSL and ADB to prioritize financing the existing Kelani Valley line from Maradana to Padukka in the KV railway line as Kelani Valley Railway Improvement Program Phase 1 (KV Rail - Phase 1) under the CSRP. KV Rail - Phase 1 envisages the construction of an elevated double line section from Loco Junction (0+900m) to Kottawa railway station (0+19,700m); and at grade double line section from Kottawa to Padukka with electrification, installing a signalling and telecommunication system, improving auxiliary structures and facilities, and new infrastructures such as modernized railway stations. To customize the MFF a consultant was mobilized under ADB TA to prepare this Resettlement Framework (RF) for KV Rail – Phase 1.

III. FORMULATION OF A RESETTLEMENT ACTION PLAN

1.8 A Resettlement Action Plan (RAP) will be formulated for each section of the KV rail Phase 1, which will have involuntary resettlement impacts. The EA formulates the RAP with the assistance of the Resettlement Specialists at PMU, in consultation with the project-affected persons (PAPs), and other stakeholders such as community-based organizations (CBOs), NGOs, and design engineers. It will meet Sri Lanka's regulatory and policy framework requirements and involuntary resettlement safeguard policy principles and procedures of ADB. Consultations with PAPs and other stakeholders include the disclosure of RAP and resettlement information in Sinhala or Tamil or both at accessible places to the public. The RAP will include a summary of the census of the PAPs, an assessment of socioeconomic conditions of PAPs and affected communities, their entitlements, institutional mechanisms to implement RAP and GRM, robust income restoration and improvement strategy, a budget, time schedule, and a monitoring mechanism with detailed monitoring indicators.

1.9 This RAP can follow the Policy and Legal Framework, Entitlement Matrix (EM) (and the Compensation Framework) that are outlined in this RF, if the local resettlement regulatory framework and ADB's involuntary resettlement safeguard policy principles remain unchanged. Each RAP will be submitted to ADB for review and approval. Guidelines for the formulation of a RAP are given in annex 1.

1.10 The following procedures will be followed in formulating the RAP:

- Identify with the assistance of engineers and project authorities the precise project area. Obtain design maps and other information from relevant agencies and departments such as the Survey Department and the Ministry of Land and Land Development. Determine the population size and number of households from secondary sources as the preliminary basis for socio-economic impact Survey (SIS).
- Categorize potential resettlement impacts of the subproject or component using ADB's Involuntary Resettlement Impact Categorization Form (Annex 3). ADB's project team in consultation with PMU do the initial screening and categorization of involuntary resettlement impacts.
- Conduct consultations with PAPs and other stakeholders to get their views and suggestions and an understanding of their needs, preferences and concerns. Address them in the RAP to minimize potential adverse resettlement impacts on persons, households, and communities.
- Undertake a socio-economic impact assessment survey of a sample of the potentially affected households unless adequate, recent census and household socioeconomic data are available. Sample size will be determined in consultation with ADB. It is usually about 20% of the total estimated number of the affected households. The findings of the survey will provide data and information for the socioeconomic profile of the PAPs in the RAP.

- Undertake a census (population record) and an inventory of losses (IOL) after the detailed measurement surveys are completed of all affected persons, households and communities to revise and finalize the numbers of affected persons, households, and property. Sometimes, the EA can decide to conduct a census instead of doing a sample survey. In the RAP, the reasons for this decision are to be outlined.
- Prepare an EM in conformity with the entitlement matrix given in the approved RF, based on the findings of the type of land and other property losses, and types of tenure rights of PAPs affected. The EM will summarize major types of losses and their corresponding entitlements in accordance with the local regulatory framework and ADB's involuntary resettlement safeguard policy. It will indicate who will be responsible to deliver the entitlements to PAPs and affected communities and the procedures to be followed. (The EM in annex 4 indicates of types of losses and types of PAPs affected.) Where the entitlement matrix does not cover a particular involuntary resettlement impact, it can be elaborated in RAP based on the findings of the socio-economic assessment and the census survey. A summary of the new entitlements identified can be added to the entitlement matrix in the RAP. But what is agreed and approved in the original entitlement matrix cannot be removed or reduced without ADB's approval.
- Prepare a detailed relocation plan for the benefit of the physically displaced persons and households. No person or household will be physically displaced until relocation sites are ready to occupy or PAPs or affected households opt to self-relocate with incentives and additional payments, if any.
- Prepare an income and livelihood restoration and improvement program for the benefit of all PAPs. Pay special attention to the poor and vulnerable persons and households.
- Formulate a time-bound schedule for the implementation of the RAP, procedures for establishing and maintaining a grievance redress mechanism, and monitoring and evaluation of the results of implementing the RAP.
- Prepare a budget for all involuntary resettlement activities identified and quantified in the RAP. Make sure that committed funds are available for prompt compensation payment and relocation of PAPs. Resettlement cost will be an integral part of the project costs.
- Translate the draft RAP into local languages (Sinhala and Tamil) and present it during consultations and public meetings for comments and recommendations. The final RAP will incorporate the comments and suggestions of PAPs and other stakeholders.
- Submit the draft RAP and subsequent revised and updated RAPs to ADB for review and approval.
- Approved RAP will be posted on EA and ADB websites and summaries will be distributed among project stakeholders including PAPs.

IV. OBJECTIVES, POLICY FRAMEWORK, AND ENTITLEMENTS

1.11 The objective of the Resettlement Framework is to ensure that the Project and its subprojects and components comply with local policies, laws, regulations, and guidelines (Regulatory Framework) and ADB's safeguard policy objectives, principles and procedures. The RF summarizes national development policies, laws and regulations, Government Orders, and Cabinet papers pertaining to consultation, land acquisition, compensation, relocation of PAPs, income restoration and improvement, and resettlement monitoring and reporting. By comparing and contrasting these policies, laws and regulations with ADB's involuntary resettlement policy principles and requirements, the RF has distilled key involuntary resettlement safeguard principles applicable to the Project and its subprojects and components. A few gaps between the two systems exist, and the RF proposes a gap-filling strategy. Once the congruence between the ADB's involuntary resettlement policy requirements and local regulatory framework is established, the RF's involuntary resettlement principles and procedures will reflect the requirements of both the regulatory framework and the ADB's involuntary resettlement safeguard policy principles and procedures. As a result, a RAP, based on the approved RF, will not require reiterating of the local and ADB safeguard requirements; a clear reference to the RF and its policy framework is sufficient.

A. Policy and Legal Framework

1.12 The RF is based on the Land Acquisition Act (LAA), 1950 and its amendments, National Involuntary Resettlement Policy (NIRP), 2001, National Policy for the Payment of Compensation, 2008, Railways Ordinance of 1902, as amended, the Land Acquisition Regulations of 2008 (LA Regulations 2008), Regulations issued under 460 of LAA, National Environmental Act of 1980 and amendments, and Safeguards Policy Statement of ADB, 2009.

Land Acquisition Act (LAA)

1.13 The LAA provides the basic legal framework for land acquisition for a 'public purpose'. It provides detailed procedures for land acquisition, consultations, calculation of compensation for land, structures, and crops at 'market value' and resettlement assistance packages. It guarantees that no person is deprived of his land except under the provisions of LAA, and provides a compensation package for acquired land, structures, damaged crops and disturbances caused by the project. The normal procedure for land acquisition begins with a request from a government agency made to the Minister of Land and Land Development (MLLD) to acquire a piece of land for a public purpose. Once acquired, the land is vested in the government agency.

1.14 Provisions of LAA are inadequate to address all adverse impacts associated with land acquisition and involuntary relocation. The LAA is indifferent to land losers' socio-economic conditions and long-term adverse impacts on their incomes and livelihoods. LAA prescribes that market value of land should be paid as compensation which amounts the price a property owner could expect if sold in the open market, whereas SPS (2009) stipulates that 'replacement cost' should be paid as compensation which includes market

value and other resettlement assistance packages. Post-acquisition monitoring of resettlement impacts is not a part of LAA.

National Involuntary Resettlement Policy (NIRP)

1.15 The Government adopted the NIRP in 2001 to ensure that (i) PAPs are fairly and adequately compensated, relocated, and rehabilitated; (ii) delays in project implementation and cost overruns are reduced; (iii) better community relations are restored among PAPs and host communities; and (iv) income and livelihood sources of PAPs are restored and improved.

1.16 The NIRP is based on LAA and its amendments, National Environmental Act of 1980 (amended in 1988), and several other applicable laws such as Urban Development Authority Act and Coastal Conservation Act, Regulations of the Acts, and also on legal opinions of courts on land acquisition, compensation, consultation, and income restoration and improvement.

1.17 Objectives of the Policy are:

- Avoid, minimize, and mitigate negative involuntary resettlement impacts by rehabilitating PAPs on a productive and self-sustaining basis.
- Ensure that PAPs are fully and promptly compensated and successfully resettled. The livelihoods of the displaced persons should be re-established and the standard of living improved.
- Ensure that no impoverishment of PAPs shall result as a consequence of compulsory land acquisition by the State for development purposes.
- Assist PAPs in dealing with the psychological, cultural, social and other impacts caused by compulsory land acquisition.
- Make all PAPs aware of the processes available for resolving grievances such as grievance redress mechanism that are easily accessible and immediately responsive.
- Have in place a consultative, transparent and accountable involuntary resettlement process with a time frame agreed to by the project executing agency and PAPs.

1.18 Principles of the Policy are:

- IR should be avoided as much as possible by reviewing alternatives to the project as well as alternatives within the project.
- Where involuntary resettlement is unavoidable, PAPs should be assisted to re-establish themselves and improve their quality of life.
- Gender equality and equity should be ensured and adhered to throughout the project.

- PAPs should be fully involved in the selection of relocation sites, livelihood compensation packages and development options at the earliest opportunity.
- Replacement land is an option for compensation in the case of loss of land; and in the absence of replacement land cash compensation should be an option.
- Compensation for loss of land, structures, other assets and income and livelihood losses should be based on full replacement cost and should be paid promptly. This should include transaction costs.
- Resettlement should be planned and implemented with full participation of the provincial and local authorities.
- Participatory consultative measures should be designed and implemented to assist those economically and socially affected. Clear-cut plan is needed to integrate them with their host communities.
- Common property resources and community and public services should be provided to resettles and their host communities.
- Resettlement should be planned as a development activity for PAPs so that they will not get impoverished because of the project.
- PAPs who do not have title deeds to land or other property should receive fair and just treatment and compensation.
- Vulnerable groups should be identified and given appropriate assistance to improve their living standards.
- Project Executing Agencies should bear the full costs of compensation, resettlement, and income restoration and improvement.

1.19 The Policy applies to:

- All development-induced land acquisition or recovery of possession by the State, and
- All projects regardless of their sources of funding.

1.20 The MLLD is responsible for implementing the NIRP. This is done in collaboration with a wide network of public agencies including CEA, Survey Department, Valuation Department, Ministries concerned, and Divisional Secretariats.

1.21 The NIRP ensures that PAPs are treated in a fair and equitable manner, and that they are not impoverished in the process of land acquisition and resettlement. The Policy also enables establishing a framework for project planning and implementation that would meet international best practices in involuntary resettlement including involuntary resettlement safeguard policy principles and requirements of ADB.

National Policy on Payment of Compensation (2008) and LA Regulations (2008)

1.22 The Cabinet of Ministers approved the National Policy on Payment of Compensation (NPPC) in November 2008 to establish a uniform system of adequate compensation payment, based on LAA, NIRP, and several other laws applicable to land acquisition and resettlement, and also to supersede all other *ad hoc* and special compensation packages used by government agencies, for example, the manual used by Road Development Authority (RDA). The LA Regulations of 2008 ratified by the Parliament of Sri Lanka in 2009 as Regulations of LAA gave effect to both the NIRP and the NPPC. The LA Regulations 2008 incorporated NIRP and NPPC principles into Sri Lanka's legal framework thereby improving the congruence between local regulatory framework for land acquisition and resettlement, and international best practices for involuntary resettlement.

National Environmental Act (NEA) 1980 and 1988

1.23 The National Environmental Act (NEA), No.47 of 1980, amended by Act No.56 of 1988 has some provisions relevant to involuntary settlement. The Gazette notification No.859/14 of 23 February 1995 determined the projects and undertakings for which Central Environmental Authority (CEA) approval is needed in terms of Part IV – C of the NEA. Item 12 in the Schedule requires the formulation of RAP to address involuntary resettlement of 100 or more households. This RAP will be supplementary planning document of the environmental assessment report.

Railways Ordinance 1 of 1903 as amended

1.24 Section 31 of the Ordinance states that “any person who shall trespass upon the railway, or upon any of the lands, stations, or other premises appertaining to the railway shall be guilty of an offence”. Further it says that “if any such person shall refuse to leave the railway, or any land, station, or other premises appertaining thereto, on being requested do so by any railway official... will be guilty of an offence, and “may be removed therefrom by such railway official...” A Supreme Court judgment in 1935 clarifies that “a right of way [of a railway] cannot be acquired across a railway line, as the word “railway” includes all railways already constructed or in the course of construction.

State Lands (Recovery of Possession) Act 7 of 1970

1.25 A competent authority appointed under the Act can determine whether or not a person is in unauthorized possession or occupation of a piece of state land. In such a case, the authority will issue a notice requiring such person to vacate the land within 30 days and to deliver the vacant land to the authority. The person is not entitled to any hearing or to make any representation in respect of a notice.

Safeguard Policy Statement of ADB, 2009 (SPS)

1.26 The objectives of the involuntary resettlement safeguards policy of ADB are to avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

1.27 Involuntary resettlement (IR) safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. IR safeguards apply whether such losses and involuntary restrictions are full or partial, permanent or temporary.

1.28 The IR policy principles are:

- Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- Carry out meaningful consultations with affected persons, host communities, and concerned non-government organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programmes. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance such as land development, credit facilities, training or employment opportunities, and (iii) civic infrastructure and community services, as required.
- Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.

- Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
 - Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
 - Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
 - Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
 - Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
 - Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
 - Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by considering the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.
- 1.29 Based on the laws, policies, and regulations, and the nature of anticipated impacts and losses arising from the Project and its subprojects/components, a list of categories of impacts and entitlement owners is prepared for reference (Annex 4). In preparing the entitlement matrix, this list can be used as a guide. The list is not complete yet.

Establishment of An Entitlement Assessment Committee (EAC)

- 1.30 The Chief Valuer of the Valuation Department is the legitimate body for determining compensation for persons affected by land acquisitions under LAA 1950 and LAR 2008. If the pap is dissatisfied with the statutory compensation determined by the Chief Valuer, then the Land Acquisition Regulations of 2013 empower the LARC or Super LARC to determine ex-gratia payments. Since the KV Line Rail Phase 1 is not listed in LAR 2013, the above is not applicable to this project and also LAR 2008 does not institute an agency to determine ex-gratia payments for such cases or non-land economic displacements. Under such circumstances, this vacuum will be filled by the decision taken by the

Entitlement Assessment Committee (EAC) established for KV Rail Phase 01. Therefore, once the RAF is endorsed by the ADB compliance unit, CSRП will seek special approval from cabinet of Ministers to establish the EAC.

- 1.31 The EAC will perform the following functions:
- I. Determine ex-gratia benefits and other Resettlement & Rehabilitation assistance that shall not be covered by the existing laws and regulations
 - II. Verification of occupancy and identification of squatters
 - III. Determine the viability of further utilization for remaining parts of lands/structures
 - IV. Determine the period of alternative/ temporary accommodation

V. GAP ANALYSIS: RESETTLEMENT REGULATORY FRAMEWORK AND INVOLUNTARY RESETTLEMENT SAFEGUARD POLICY OF ADB

- 1.32 The Land Acquisition Act (LAA and its regulations) of 1950 (as amended in 1986) gives directives for the acquisition of land in the public interest and provides benefits only to titleholders. The LAA and its regulations do not guarantee compensation at replacement cost for the loss of land and assets. The National Involuntary Resettlement Policy (NIRP) 2001 represents a significant milestone in the development of a systematic approach to addressing resettlement issues in Sri Lanka, and closes significantly the gap between Sri Lankan national policies and those of ADB. A Gap analysis is given in Annex 2.

VI. INVOLUNTARY RESETTLEMENT PRINCIPLES OF THE PROJECT

1.33 Based on the comparative review of various resettlement policies, laws, regulations and guidelines of Sri Lanka and the ADB Involuntary Resettlement Policy and resettlement best practices, the following broad resettlement principles are distilled for this Project. They will apply to all of its subprojects and components that are already identified and yet to be identified. Screen each subproject or component of the Project to determine whether it triggers the following involuntary resettlement principles and to determine the scope of resettlement planning required.

- Take every effort to avoid physical displacement and/or any other adverse impacts on livelihood and income sources and community resources and infrastructure. If physical displacement and economic displacement are unavoidable, the following actions will be taken to (a) ensure that sufficient compensation is provided through cash-for-land, land-for-land, and dwelling-unit-for-dwelling-unit modalities, (b) improve or at least restore their income and livelihoods; and (c) facilitate rebuilding their previous socio-cultural systems by carefully planning relocation sites and the selection of households for relocation.
- Consult and inform all PAPs on land/dwelling unit acquisition, compensation package, income rehabilitation and other entitlements, and grievance redress mechanism.

- Provide special project assistance to meet the needs of affected vulnerable people such as poor, landless, elderly, woman-headed households, lessees, tenants, informal settlers and squatters.
- Compensate all affected dwelling units either by paying cash at replacement cost or by following the dwelling-unit-for-dwelling unit modality.
- Provide well-planned and budgeted income restoration and improvement programmes for the benefit of PAPs, especially, for the poor and vulnerable households.
- All common property resources lost to a subproject or component will promptly be replaced or compensated by EA. Cash compensation will be given to the representatives of the community affected.
- If land/property acquisition is done through negotiated acquisition, the subproject or component will ensure that PAPs who enter into negotiated settlement will maintain the same or better income and livelihood status after displacement.
- Non-titled PAPs are eligible for resettlement assistance. If they lose their dwelling units they are entitled to receive replacement dwelling units regardless of their current tenure status.
- Disclose resettlement information and RAPs including consultation minutes and other documentation before the project appraisal in a form, manner and language(s) accessible to PAPs and other stakeholders. The final RAPs and their updates, if any, will also be disclosed to PAPs and other stakeholders in the same manner.
- The full costs of land acquisition, compensation and relocation will be included in project costs.
- Pay compensation and provide other entitlements to each displaced person or household *before* physical displaced and *before* any construction work starts.
- Monitor and assess the progress of RAP implementation, and prepare half-yearly monitoring reports to share with ADB, PAPs, and other stakeholders. During the first two years of the implementation of the RAP, quarterly resettlement monitoring reports will be prepared. All monitoring reports will be submitted to ADB to review. The EA discloses the monitoring reports in local languages to all PAPs and households.

1.34 In accordance with involuntary resettlement principles listed above, all PAPs and affected households and communities will be entitled to a combination of compensation packages and resettlement or relocation assistance according to the nature of the ownership or occupation or access to lost property or the nature of income or livelihood losses sources affected.

VII. SCREENING AND CATEGORIZATION

7.1 Each identified subproject or component will be screened and categorized by ADB with the assistance of EA/IA, when preliminary subproject/component information is available. The objectives of screening and categorizing are to: (a) determine whether or not the subproject/component involves potential involuntary resettlement impacts and risks; (b) ascertain the significance of such potential impacts and risks; (c) identify the level of assessment and institutional and financial resources required for the formulation of a satisfactory RAP to address involuntary resettlement impacts or risks; and (d) minimize and mitigate them. Screening and categorizing a subproject/component will indicate the levels of information disclosure and PAP consultations required.

7.2 The following checklist help screen a subproject/component to identify its potential resettlement impacts and their significance:

- Will the subproject/component acquire land?
- How much land is expected to acquire? (estimate)
- How many persons and households will be affected? (estimate)
- Will project's involuntary resettlement impacts be permanent or temporary?
- Categories of land tenure? Owner, encroacher, squatter, lessee, etc.
- Land use patterns? Homesteads, small shops, commercial centers, paddy land, and highland, etc.
- Will land/dwelling unit acquisition impact on tenants, leaseholders, encroachers, and squatters as well?
- If state land is to be acquired, would it affect some PAPs' traditional claims over the land?
- If state/Railways land is acquired, will it impact on any squatters, encroachers or informal settlers? (estimates)
- What will be the estimated number of squatters, informal settlers, and encroachers?
- Are there any houses, structures, trees and crops that will be affected?
- How many houses will be fully acquired/destroyed? (estimates)
- How many houses will be partially acquired/destroyed? (estimates)
- How many households will be physically displaced? (estimates)
- Will any public or community infrastructure be affected partially or fully?
- What percentage of product assets (income-generating assets) will people lose? (estimate)
- What businesses will be affected? Their locations? Number? (estimate)

7.3 Based on the information and data collected, the project team proposes an initial categorization for the project's potential involuntary resettlement impacts and risks:

Category A – The subproject/component is likely to have significant involuntary resettlement impacts. A resettlement action plan (RAP) including an assessment of social impacts is required.

Category B – The subproject/component is likely to have resettlement impacts that are not deemed significant. A short RAP including a social impact assessment.

Category C – The subproject/component has no or very little resettlement impacts. An involuntary resettlement due diligence report is required.

- 7.4 A subproject/component's involuntary resettlement impact category is determined by the category of its most sensitive section in terms of involuntary resettlement impacts. The involuntary resettlement impacts of a subproject/component are considered 'significant', if 200 or more persons will experience one or several major impacts. Major impacts are: (i) being physically displaced, or (ii) losing 10% or more of productive assets. The level of detail and comprehensiveness of a RAP will commensurate with the 'significance' of the potential resettlement impacts and risks.
- 7.5 A subproject/component is tentatively categorized after the completion of the initial screening of anticipated resettlement impacts and risks. The project team can change the impact category with the concurrence of ADB as more detailed resettlement information becomes available and project processing proceeds. In such case, the project team submits a re-categorization form to the Chief Compliance Officer of ADB for concurrence.
- 7.6 It is important to identify the tenure status of each PAP or each household, as it would influence the procedures of acquisition, compensation, and rehabilitation (see the entitlement matrix's impact categories – Annex 4).

VIII. SOCIOECONOMIC INFORMATION

A. Initial Social and Poverty Assessment (IPSA)

- 8.1 At the subproject/component identification stage, a rapid social assessment is conducted by ADB with the help of project proposers to identify the scope of social impacts, impoverishment risks, project benefits, and interests, aspirations, and capacities of potential PAPs project beneficiaries, and other stakeholders. This is done through meetings among ADB mission members and project proposers and visits to potential project areas to observe current state of affairs. ADB prepares a report titled 'Initial Poverty and Social Assessment' (IPSA) based on these preliminary findings.

B. Socioeconomic Surveys/Social Impact Assessment Surveys

- 8.2 The purpose of the socioeconomic survey or social impact assessment survey is to identify the nature and significance of potential project impacts on PAPs, households and communities. The survey will collect gender-disaggregated socioeconomic data. The socioeconomic survey is either a sample survey of affected persons and households or a census of the total affected population. Usually a sample of 20% of the total population is chosen through a stratified sampling method to select different groups of PAPs based on their income, housing conditions, and the degree of losses. If a sample survey is done in place of a census, it is necessary to agree with ADB the size of the sample. In subprojects/components, involuntary resettlement impacts will be limited and are scattered in a linear form.

- 8.3 If the categorization of potential project impacts falls into either A or B category, EA/IA will conduct a socioeconomic survey/social impact assessment survey as early as possible to (i) collect basic socioeconomic baseline data and information in the subproject/subproject areas, (ii) identify persons and households who will be physically displaced and economically displaced, (iii) record affected or lost assets of households, enterprises, and the community, (iv) assess the project's socioeconomic impacts on them, and (v) establish monitoring and evaluation parameters and indicators to monitor land acquisition, relocation, and rehabilitation components of the project implementation.
- 8.4 Category A project will need more planning, resources, and survey time to complete socioeconomic surveys than in case of a category B project. A category A project will also require more probing and in-depth analysis of socioeconomic impacts on persons, communities and vulnerable groups.
- 8.5 The most important part of the SIA is the data and information analysis. Using the vast amount of data and information collected the resettlement planner will prepare a chapter on SIA for the RAP. In this exercise, the planner has to determine the number of data tables, their format and the issues to be focused. This chapter should be a summary chapter not exceeding 10 pages. Detailed data and information in tabular form can be given in an appendix.

C. Census or Population Record

- 8.6 A census will provide a demographic overview of the total affected population. It will cover the PAPs' assets and main sources of livelihood affected and provide gender-disaggregated socioeconomic data. Such data will specifically be used to determine if special actions are needed to assist the poor and vulnerable households to overcome their socioeconomic marginality and disarticulation.
- 8.7 If the socioeconomic sample survey takes place before the preparation of detailed designs of the project, a census of all affected persons and households together with an inventory of their assets will be conducted soon after the detailed designs are completed. This has to be done before any project's construction activity starts. Based on the census and inventory of losses, the resettlement planner will revise and update the RAP and disclose it to all project stakeholders including all PAPs. Such updates and revisions will be reflected in its budget and implementation schedule.

D. Methodology

- 8.8 Depending on the significance of potential resettlement impacts and the spread of such impacts over the subproject/component area, the resettlement planner will decide the methodology of data collection for the socioeconomic/impact assessment survey, and the census. A questionnaire survey of all potential PAPs and households is the most popular methodology and is most useful in a linear project such as a railways project that will have impacts on households and settlements, but with scattered impacts over a long but on a narrow corridor.
- 8.9 The questionnaire will include questions about basic household information

disaggregated by gender, land ownership and use patterns, income and expenditure patterns, employment, and potential impacts on income and livelihood sources, residence and its tenure type, and other structures and losses, community organizations, awareness about the proposed project, poverty incidence, and vulnerability. It will also include questions on PAPs' perceptions on physical and economic displacement and their expectations from the project, especially, about the future housing and income restoration and improvement programmes.

- 8.10 In addition to the survey questionnaires, fieldworkers who are engaged in the survey will gather qualitative data and information from interviewing groups of potential PAPs, local leaders, local knowledgeable and representatives of local associations such as *watta* (garden), mutual help associations, welfare societies, religious societies, and cooperatives. Focus group consultations (FGCs) will supplement such interviews. Group interviews need prior arrangements and the information about such meetings need to be disseminated among the PAPs in advance through proper channels such as Grama Niladhari (village headman) or the Divisional Secretariat or through local temples, mosques, and churches. Both men and women are to be encouraged to attend focus group discussions and public consultations. The deliberations, decisions and recommendations pertaining to the subproject/component will be recorded systematically in detail by the project authorities. Attendance at such gatherings or meetings will be recorded with full name, address, and the signature of each participant. If their cell phone numbers are available, they too are recorded in the attendance sheets for easy future reference (A sample of these documents are to be attached to the RAP as proof of consultations).
- 8.11 The resettlement planner will study recent socioeconomic studies that have been conducted in project areas, if any, to gather secondary information and data about the community affected. Key sources are EIA/IEE reports, socioeconomic survey reports, data collected to formulate various development programmes for the benefit of the poor and vulnerable, reports on skill development programmes, and general socio-economic databases at Grama Niladhari Offices (GNOs) and Divisional Secretariats. Secondary data are not a substitute for first-hand survey data.
- 8.12 Before a socioeconomic survey is commenced, the resettlement planner will train fieldworkers in questionnaire survey and group interview methods unless they already possess skills in such socioeconomic surveys and group interviews.
- 8.13 All the data and information collected will be fed into the subproject/component database that will be used in formulating RAPs and developing resettlement-monitoring indicators. Based on the socioeconomic survey, census, and other sources of data and information, a social impact assessment (SIA) report will be prepared. The report will focus on potential social impacts, impacts on income sources and livelihoods of displaced persons and gender-disaggregated information pertaining to economic and socio-cultural conditions of PAPs. The project's potential social and resettlement impacts and risks will be assessed at personal, household, and community level to identify and record the entitlements of PAPs, households, and communities. The results will be presented in a summary form as a chapter of RAP. Such tabulated data and information will direct the objectives and scope of RAP and help determine whether further consultations with

stakeholders are needed, the scope of grievance redress mechanism, the resettlement budget, and the implementation schedule.

E. Gender Impacts, Vulnerability and Mitigation Measures

- 8.14 Socioeconomic surveys should generate gender-disaggregated data that facilitate the identification of gender-specific issues and needs, and determine how the project would differentially impact on them. The socio-economic survey will identify the causes of these disparities and SIA will recommend specific measures to address them. It will also indicate how women can become project beneficiaries and how they can overcome obstacles in receiving project benefits. Where women play a significant role in local organizations such as *Watte* (garden) organizations, the RAP will suggest ways and means to sustain and improve their participation in subproject/project activities and how to ensure such leader roles are replicated at new relocation sites.
- 8.15 Among vulnerable households are the female-headed households. During the socioeconomic survey, these households will be identified in order to analyze their current economic status and how the project will impact on them. Based on the findings of the analysis, RAPs will recommend special assistance programmes to help them to overcome their vulnerabilities and also to improve their socioeconomic status so that they too could benefit from the subproject/component. The RAP will include measures to ensure that socio-economic conditions and needs and priorities of women are identified and the process of land/property acquisition and resettlement does not disadvantage women. It will ensure that gender impacts are adequately addressed and mitigated. Women's focus groups discussions will be conducted to address specific women's issues.
- 8.16 As part of SIA, the resettlement planner will identify individuals and groups who may be differentially or disproportionately affected by the project (such as female-headed households, the old, and the sick or disabled PAPs). Where such individuals and groups are identified, RAP will propose targeted measures to avoid adverse project impacts falling on them disproportionately and to enable them to benefit from the project.
- 8.17 A communication strategy will be prepared for each subproject/component and it will include women group discussions that focus on possible displacement and relocation, potential impacts on their socio-cultural systems, any potential threats regarding their safety during construction owing to the presence of labour gangs from outside, potential opportunities for women to engage in project activities to earn an income, and on special care to be taken by contractors during project construction activities, if women are recruited as workers.

F. Cut-off-Date

- 8.18 For land to be acquired from titled landowners and squatters, the date of notification for acquisition under LAA or the end date of the socioeconomic survey will be treated as the cut-off date. For non-titleholders such as squatters, informal settlers, encroachers, tenants and leaseholders, the date of the project census or a designated date declared by EA in consultation with GNOs and Divisional Secretaries (DSs) will be considered as

the cut-off date. The relevant local authorities will be requested through GNOs to refrain from granting approvals for new constructions within the project area after the cut-off-date. EA/IA will disseminate information regarding the cut-off-date throughout the subproject/component areas through GNOs and DSs. Persons who occupy land in the project area after the cut-off-date are not eligible for compensation or resettlement or relocation assistance. Structures such as houses and commercial centers established after the cut-off-date are not eligible for compensation and resettlement assistance.

IX. CONSULTATION, PARTICIPATION, AND DISCLOSURE

A. Consultation and Participation

9.1 The EA/IA will consult PAPs and other stakeholders on the scope of the subproject/component, its benefits and potential adverse impacts and proposed mitigation measures for potential adverse project impacts. The EA/IA will actively engage them in examining project alternatives, scope of land/property acquisition, potential direct and indirect impacts on their economic activities, and social and cultural identity and networks of people, resettlement planning, implementation, and monitoring requirements.

9.2 If a project plans to relocate physically displaced PAPs, plans for consultations and participation will include host communities as well. If present in the subproject/component areas, representatives of community-based organizations (CBOs) such as 'Watte' associations, women groups and NGOs will also be invited to consultations. They will engage in resettlement planning and implementation together with PAPs. Among the stakeholders are representatives of relevant government agencies (GNOs, representative of the Divisional Secretary of the area), religious and community leaders, and local business community.

9.3 The consultations will be done through interviews, public meetings, and group discussions. The EA/IA will ensure that disadvantaged or vulnerable groups, especially the poor, landless, elderly, women, female-headed households, and non-titled users of land too are included in consultations. EA/IA will pay special attention to their views, needs and suggestions. If anticipated resettlement impacts are significant on livelihoods and household income sources of vulnerable PAPs, focused group consultations will also be held with project-affected women and vulnerable groups.

9.4 Consultations start during the 'project preparation phase' and will continue throughout the project life. All consultations are undertaken in an atmosphere conducive to free exchange of views and recommendations without any intimidation. Consultations and participation of PAPs in resettlement planning and implementation will be gender-inclusive, gender-responsive, and gender-sensitive, and will be designed to address special needs of vulnerable project-affected households and groups. By doing so resettlement planner will be able to incorporate views and recommendations of all segments of PAPs and other stakeholders into the project design, mitigation measures, and strategies of sharing of development benefits and opportunities.

9.5 Project information on measurement of losses, detailed asset valuations, entitlements and

special provisions, grievance redress procedures, timetable for cash compensation payment, physical displacement and relocation schedule, and project construction schedule will be disseminated by EA/IA through public consultations and brochures, leaflets, or booklets written in Sinhala and Tamil languages. For non-literate people, other communication methods such as small group discussions and posters are to be used.

9.6 Each RAP will be prepared and implemented in close consultation with stakeholders, particularly, with PAPs through focus group discussions and stakeholder consultation meetings. Women’s participation will be ensured by involving them in public consultations at various stages of project preparation and implementation, and by arrangements which would enhance their ability to attend such meetings.

9.7 A summary of each RAP (including the entitled matrix) will be made available in Sinhala and Tamil language(s) during the public meetings at the community level. Copies of summary RAPs will also be made available at the local level public offices, such as Division Secretariat and GNOs. The full RAPs will be disclosed on ADB’s and EA’s websites. EA will inform ADB in writing the date of posting of RAP on the web.

9.8 A Public Consultation and Disclosure Plan will be prepared by PMU/PIU for each subproject/ component following the format below:

Consultation and Disclosure Plan

Activity	Task	Timing (Date/ Period)	Number of Persons Attended (if applicable)	Agencies Attended (if applicable)	Feedback/ Issues/ Concerns	Remarks
Stakeholder/PAP Identification	Mapping of the Subproject/ Component areas/inventory of losses					
Project information Dissemination	Distribution of Information leaflets to PAPs					
Consultative meetings with PAPs during the scoping phase	Discuss potential Resettlement impacts of the Subproject/ component					
Public Notification	Publish a list of Affected/acquired lands/sites/dwelling units at Divisional Secretariats/GNO Publish eligibility cut-off date					

Socio-economic survey	Collect socioeconomic Information and PAPs' perception on acquisition and resettlement impacts					
Consultative meetings on resettlement mitigation measures	Discuss entitlements, compensation packages, grievance redress mechanisms					
Publicize RAP or at least its entitlement matrix	Distribute leaflets or booklets in Sinhala and Tamil that contain key information on RAP including the EM and the resettlement budget.					
Full disclosure of the RAP to PAPs	Distribute RAP in local language to PAPs (desirable)					
Internet disclosure of the RAP	RAP posted on ADB And EA website					
Consultative meetings during detailed designed survey (DMS)	Face- to-face meetings with PAPs to ascertain the correctness of PAP and household identification and other RAP data.					
Disclosure after DMS	Disclose updated RAP to PAPs. At least the summary.					
Internet disclosure of the updated RP	Updated RAP posted on ADB and EA website					

9.9 The organizers of each meeting, consultation and interview will keep records of key topics discussed and decisions arrived at. Attendance sheets and photographs of such meetings and interviews are to be attached to the RAP records.

B. Disclosure

9.10 EA/IA will disclose RAP and/or adequate resettlement information to PAPs and other stakeholders in a timely manner at accessible locations in Sinhala (and/or Tamil).

9.11 Resettlement information including the entitlement matrix, GRM procedures, budget and implementation schedule (as leaflet or a booklet) will be disclosed to all affected PAPs or affected households. A copy of RAP will be disclosed on the websites of the Railways Department, Ministry of Transport and Civil Aviation, and ADB. Sinhala or Tamil versions of RAP will be available for public reference at the Ministry, PMU, Divisional Secretariats, and GNOs in subproject/component areas.

9.12 The EA/IA will submit the following planning documents to ADB for disclosure on ADB's website:

- (i) Draft RAP before project appraisal;
- (ii) Final RAP based on the census of PAPs completed after the detailed project designs, if a draft RAP based on a sample socioeconomic survey was submitted earlier;
- (iii) New RAP or an updated RAP, and a Corrective Action Plan, if any, prepared during project implementation; and
- (iv) resettlement monitoring reports

X. COMPENSATION, INCOME RESTORATION AND RELOCATION

A. Valuation of Lost and Affected Assets

10.1 The EA/IA and PAPs will participate in determining the 'replacement cost' of the acquired property and dwelling units for a subproject/component. Replacement cost comprises fair market value of the property and other compensation packages that are elaborated in NIRP and LA Regulations 2008 (see below). The valuation of acquired property will be done by the Valuation Department on the request of the Divisional Secretary (DS) of the area where land or dwelling unit is located. DS or DPD (Lands) /PMU is the land acquiring officer. The Valuation Department will calculate the replacement cost of fully acquired, partially acquired, and damaged or partially damaged structures, guided by the 2008 LAA Regulations.

10.2 Those who hold formal legal rights to land and dwelling units acquired are entitled to compensation at replacement cost of the land and structures on the lost land or to replacement land and replacement cost of structures on the land or a replacement dwelling unit at a relocation site. Those persons who do not own land but have 'interests' or 'claims' on land or on property that are acquired will also be entitled to receive compensation. If such person loses a house, he or she will get a new dwelling unit at a

relocation site, and cash compensation of balance amount after reducing cost for other structures and improvements to the land. The cut-off-date for eligibility for resettlement assistance applies. If there is any time gap between displacement and relocation, EA/IA will provide cash and subsistence assistance to the physically displaced persons until such persons are given resettlement assistance. These facilities are to be provided in accordance with the entitlement matrix.

10.3 In case of PAPs whose livelihoods are land-based, EA/IA will give priority to find replacement land for them. It is the responsibility of EA/IA to find suitable land of equal size or quality. Where replacement land is offered as in case of paddy land or cultivated highland, economically displaced persons will be given a plot of land at least equivalent to the quality and size of the land acquired. The replacement land will allow them to improve or at least, to restore their livelihoods such as businesses.

10.4 Land value will be based on updated official records, field observations, recent land market rates in the vicinity, if available, and valuation done by the Valuation Department. The land records containing information such as legal title and classification of land will be taken into consideration in determining its value. All land parcels acquired for the subproject/component will be compensated based on the replacement cost of the land and will be paid in cash unless the land-for-land option or the dwelling-unit-for-dwelling-unit option is adapted.

B. Negotiated Land Acquisition

10.5 LAA refers to 'willing seller' as a precondition for negotiated land acquisition. This avoids expropriation and use of governmental authority ('eminent domain') to remove people from their land and to acquire it. It is based on meaningful consultation with PAPs including those who occupied land without legal titles. Obtaining lands through negotiated land acquisition still involves a formal acquisition as per LAA. This is mainly to avoid land with title defects get passed on to the State. Within the LAA Framework, it is difficult to apply negotiated land acquisition modality, although the LAA recognizes negotiated land acquisition as a method of calculating compensation. The Supreme Court defined the test of a willing seller as being 'likely to receive prompt compensation of the market value'. The Court pointed out the impracticality of negotiated land acquisition because of 'delays, technicalities, and expenses' associated with LAA mandatory procedures for land acquisition and compensation payment.

C. Assessment of 'Replacement Cost'

10.6 The LAA provides for determining compensation based on 'market value'. It defines market value as 'the amount which the land might be expected to have realized if sold by a willing seller in the open market as a separate entity on the date of publication of that notice in the Gazette ... [Section 46(1)]. The NIRP states that compensation will be based on 'replacement cost' of acquired land and structures. 'Compensation for loss of land, structures, other assets and income should be based on full replacement cost and should be paid promptly. This should include transaction costs [Principle 6].

10.7 The LAA Regulations of 2008 under section 63(2) (f) of the LAA did not adopt

‘replacement cost’ as the basis for compensation, as the LAA does not use the concept; instead it used ‘market value’ as defined in the LAA together with several safeguard provisions to eliminate inequities arising from the methods of valuation and determining ‘market value’, thereby upgrading compensation to the level of ‘replacement cost.’

10.8 The current involuntary resettlement regulatory framework ensures that persons and households affected by land acquisition receives replacement cost, so that they could maintain the same socio-economic status that they enjoyed prior to land acquisition, or that their living standards are improved to a higher level compared with the pre-acquisition level, particularly, in case of the poor and vulnerable households. As outlined above, the LAA Regulations of 2008 under 'Disturbances' make the necessary provisions for compensating every possible cost incurred by a PAP during the acquisition of their properties. Section 3.11 of the LAA regulations 2008 within the framework of 'value to owner' provides a range of 'disturbances' that could be caused by land acquisition. The total package of compensation and other payments would bring compensation to the level of 'replacement cost', which is also a best international practice.

10.9 The LAA Regulations 2008 provide the following compensation packages to those who lost land to a public project. Those are adequate

- Where part of a land is acquired and when its value as a separate entity deems to realize a value proportionately lower than the market value of the main land, the compensation will be proportionate to the value of the main land.
- A building used for occupation or for business purpose, or was intended to be used for occupation or business purpose on the date the intention to acquire was published, the difference between the cost of re-construction and the value of building based for determination of market value will be paid as additional compensation.
- Value based on 'development potential' is considered in determining the value of land when a paddy land plot is acquired if the Agrarian Services Commissioner General's approval has already been obtained to convert it into a non-agricultural land.
- Where an acquired building is occupied by a tenant/statutory tenant protected under the provision of the Rent Act No 7 of 1972 (as amended thereafter) compensation will be ascertained in proportion having regard to the provisions of Rent (amendment) Act No 26 of 2006 and subsequent amendments.

Damages caused by injurious affection and severance should be allowed fully. Compensation for disturbance is based on the "value to owner" will be paid based on written claims:

- 1) Expenses incurred for appearing for section 9 inquiry
- 2) Expenses for finding alternative accommodation
- 3) Cost incurred in change of residence
- 4) Cost of advertising
- 5) Re-fixing cost of fixtures and fittings
- 6) Expenses incurred for transport
- 7) Loss of earnings from business (within the limit given in prevailing Act)
- 8) Increased overhead expenses
- 9) Double payments
- 10) All other expenses to the owner due to the acquisition

- 11) Any other additional expenses for disturbances or compensation not connected under any other Sub section of this act which is directly not connected to market value of the land
- 12) When the owner of a house or an investment property is displaced additional 10% based on market value.

However, LAR 2008 does not make adequate provisions to fulfil gaps in national regulations and ADBs' SPS 2009 as described in chapter IV as well as the risks of project affected persons not benefitting adequately from the valuation procedures and compensation payments and also the Project Affected Person who lose their land or house and dissatisfied with the statutory compensation determined by the chief Valuer are unable to apply for ex-gratia payment provided by the Land Acquisition and Resettlement Committee (LARC) as per LAR 2013 in which this project was not included in the prescribed special list. Further, neither LAA nor the LAR 2008 have the provisions to determine compensation for non-land economic displacement such as in the case of recovery of possession of state land occupied by squatters, mobile vendors, tenants etc.

Thus, these gaps are addressed through suggestions to the Entitlement Matrix (EM) of the RF which include compensation and/or rehabilitation and restoration assistance in accordance with rates taken from LAR 2013. In addition to this, both additional cash compensation and non-cash resettlement assistance were also included in the EM prepared for this RF and also to determine ex-gratia payments, make submission of appeal, an Entitlement Assessment Committee (EAC) will be established. The payment of additional allowances specified in the EM and to the proposed EAC, require the approval of the cabinet of Ministers.

D. Entitlement Assessment Committee

The Chief Valuer of the Valuation Department is the legitimate body for determining compensation for persons affected by land acquisitions under LAA 1950 and LAR 2008. If the person is dissatisfied with the statutory compensation determined by the Chief Valuer, then the Land Acquisition Regulations of 2013 empower the LARC or Super LARC to determine ex-gratia payments. Since the KV Line Rail Phase 1 is not listed in LAR 2013, the above is not applicable to this project and also LAR 2008 does not institute an agency to determine ex-gratia payments for such cases or non-land economic displacements. Under such circumstances, this vacuum will be filled by the Entitlement Assessment Committee (EAC) established for KV Rail Phase 01. Therefore, once the RAP is endorsed by the ADB compliance unit, CSRP will seek special approval from cabinet of Ministers for the EAC.

Establishment of Entitlement Assessment Committee (EAC)

The EAC will perform the following functions:

- I. Determining ex-gratia benefits and other Resettlement & Rehabilitation assistance shall not be covered by the existing laws and regulations
- II. Verification of occupancy for identification of squatters before the cut-off date
- III. Determining the viability of further utilization for remaining parts of lands/structures
- IV. Determining the period of alternative/ temporary accommodation

The EAC shall comprise of the Project Director and Deputy Project Director (Environment and Social Safeguards) of CSRP, a representative from the Ministry of Land, a representative from the Valuation Department, a representative nominated by the General Manager Railways (Land Officer) (SLR), representative of Divisional Secretary in the project implemented area and a member representing the civil society (to be nominated by the respective Divisional Secretary of the Project Implementation Area). The EAC will be assisted by a team of technical experts such as licensed valuers and chartered quantity surveyors etc., in order to assess the monetary value of the PAPs' affected assets. In the process of determining compensation

for project affected persons, the EAC will be guided by the entitlement parameters set in the Entitlement Matrix. This Entitlement Matrix proposes compensation measures and resettlement assistance for all types of PAPs, to offset their losses, and to enable to at least maintain or improve their standard of living. The payment of additional allowances specified in the EM will require the approval of the Cabinet of Ministers. Any person who will encroach or settle in the area after the cut-off date will not be entitled for compensation or any other form of resettlement assistance.

E. Special Arrangements for Paying Compensation

10.9 In addition to the normal procedures of land acquisition, there are several special arrangements for paying compensation for acquired land, buildings, and structures. The key arrangements are listed below.

- Subprojects that acquire narrow strips of land for the ROW of the railways and other structures. In such a case, the valuer will be given specific directions under the LAA Regulations 2008. Irrespective of the size of the main land, determine the site value of a buildable front block and adopt the same rate for the acquired portion uniformly.
- Lands with various shapes: When the front land is a narrow strip used as access/garden to rear main land and part of the front land is acquired, valuation should be based on 'use' subject to highest and best use.
- When a part of a building is acquired and the remaining part is still usable: compensation will be based on depreciated replacement cost (DRC) only for the part acquired. Reinstatement cost will be paid for the balance part of the building.
- When a part of a building is acquired and the remaining part is unusable: justification is required that the balance part cannot be used further. When justified, DRC value of the entire building will be paid. Reinstatement cost will be paid subsequently as additional compensation.

F. Reinstatement cost of buildings and compensation for other developments on encroached lands

10.10 The below steps will be followed in determining compensation for improvements on encroached lands.

- The Land Acquiring Officer should include the encroacher as an 'interested party' under Section 10 (1) (a) of LAA.
- Encroachments on state lands: with the concurrence of the Divisional Secretary in writing reinstatement value for developments/improvements done by the encroacher may be paid.
- Encroachments on private land: where the landowner has not contested the encumbrances in a Court of Law, the person who improved land qualify will receive the value of such improvements.

10.11 In summary, determination of replacement cost of acquired property will take into consideration the following:

- Compensation = Market value of land acquired + severance and injurious affection to land retained + disturbance and other losses

G. Common Property

10.12 The EA will restore or reinstall common resources, structures and facilities affected by the project as outlined in the Entitlement Matrix. If access is restricted to such resources, alternative access to similar resources will be provided by EA/IA. Compensation for trees will also be based on the current market value of timber for timber trees, the annual net product market value multiplied by remaining productive years for perennial and fruit trees. EA/IA will consult the Department of Agriculture for valuation.

H. Temporary Impacts

10.13 For temporary impacts, cash compensation and other entitlements prescribed in the entitlement matrix will be provided to each entitled affected person before acquiring land or properties.

I. Income Restoration

10.14 EA/IA will improve or at least restore the lost or affected income sources and livelihoods of PAPs in real terms to the pre-project levels. EA/IA will identify the number of eligible PAPs from the socioeconomic survey and the census to formulate detailed income restoration and improvement plans such as skill development programmes in consultation with PAPs, CBOs, NGOs, government officials and other agencies in the project areas. EA/IA will also formulate income improvement programmes for the benefit of vulnerable and poor households. These plans will be included in RAP with a budget, institutional support, and an implementation schedule.

10.15 Income restoration and improvement will have several components. Compensation at full replacement cost and other cash components of the compensation packages will allow PAPs to invest some portion of cash received in income generating activities. PMU will guide PAPs on financial management and investment. Such investments are augmented by *ex-gratia* payments that will be paid to eligible PAPs by the project. Among *ex-gratia* payments are the shifting allowances, initial living assistance, and special grant for vulnerable and poor households.

10.16 Where farmers are among PAPs (for example, on the Main Railway Line from Ragama to Rambukkana) who depend on small plots of paddy and highland to earn their living, EA/IA will prepare a comprehensive plan to find land-for-land for their benefits. If their dwelling units are also affected, then they are entitled to dwelling units at relocation sites. No land acquisition will take place before relocating the physically displaced persons. While compensation is required to be paid before displacement, full implementation of relocation plans might take longer. The gap period is to be dealt with an *ex-gratia* assistance such as living allowances and temporary housing. Such complicated programmes are to be in place before land acquisition starts, and certainly before any project construction activity begins.

- 10.17 Project-sponsored skill training programmes and micro-credit programmes will provide basic knowhow and capital respectively especially to the displaced youth helping them to find or generate income sources or livelihoods. EA/IA will introduce PAPs to national and local employment development programmes, and will also secure priority enrollment for them in such programmes. EA/IA will also encourage project contractors to hire skilled, semi-skilled and daily wage-workers from among PAPs, if they are seeking such employments from the subproject. Priority will be sought for vulnerable PAPs. Women workers will be encouraged to engage in suitable project construction activities. EA/IA will negotiate with subproject contractors' special assistance programmes for them and ensure their safety at work sites. Such assistance requires prior planning and negotiations. EA/IA will initiate such dialogue with concerned agencies and contractors before land and other property are acquired.
- 10.18 A cohesive and comprehensive income restoration and improvement strategy will be developed by EA/IA as a key component of RAP with key monitoring indicators and a secured, adequate budget.

J. Relocation Plan

- 10.19 The EA will decide in consultation with IAs and provincial and divisional authorities the relocation site for each physically displaced household and a resettlement assistance package. This information should be disclosed to all PAPs during the formulation of RAP for a subproject. It is necessary to describe in RAP the relocation sites, how and why they have been selected, how many PAPs are to be relocated at each of relocation site; the dwelling unit size and facilities that will be available for each household, temporary housing arrangements, if residential units are under construction; basic common infrastructure facilities at new high-rise apartments, and an assured budget for all identified resettlement activities at relocation sites.
- 10.20 The selection of relocation sites is to be done in consultation with PAPs. Their willingness to move to the relocation sites, expectations, worries and concerns are to be probed through group and individual consultations. The results of such consultations are to be recorded and attached to RAP. Resettlement administration - responsibility for each task will be outlined in RAP in detail. A detailed map of each relocation site is required.
- 10.21 The RAP will describe the resettlement assistance package that will be given in addition to the dwelling unit package at a relocation site. Resettlement assistance package will include transportation of household good and salvaged items from the demolished/damaged dwelling unit, temporary shelter and food supplies; special security arrangement for women, and schooling facilities for displaced children.
- 10.22 If PAPs are predominantly farmers, EA will provide land suitable for agriculture for them with cultivation assistance such as tractors to plough land and build bunds (embankments) and tertiary canals to irrigate land.
- 10.23 If PAPs of an affected village or hamlet or *Watta* (settlement) want to live together as a community at a relocation site such as a high-rise apartment complex, EA/IA will take

necessary actions to fulfill this requirement. Such formation of a community at a new location will help the displaced households to cope with displacement trauma, anxiety, and fear. A 'transferred' community would also provide them mutual labor and subsistence at the initial stage of relocation.

XI. INSTITUTIONAL ARRANGEMENTS

A. Grievance Redress Mechanism

- 11.1 Each subproject/component that is likely to have involuntary resettlement impacts should ~~have a formally instituted, transparent, and time-bound grievance redress mechanism~~ (GRM) to receive and resolve PAPs' grievances and complaints regarding the delivery of their entitlements, in particular, and project impacts, in general. (EA/IA will determine whether a common GRM can handle both resettlement and environmental complaints of the PAPs or two separate GRMs are need in the context of the project.)
- 11.2 The GRM is an accessible and trusted platform for PAPs to seek solutions and relief for their grievances relating to involuntary resettlement activities of a subproject. GRM will also demonstrate PAPs' capacity for consultations and desire to resolve grievances through discussion and negotiation.
- 11.3 The objective of a GRM is to resolve land/property acquisition, compensation, and relocation disputes at the grassroots level in order to avoid lengthy and costly judicial process. However, a GRM will not deal with matters pending in Courts of Law. The grievance redress committee (GRC) of GRM will have no jurisdiction over the 'rates' or packages of cash compensation.
- 11.4 Grievances from PAPs are primarily dealt with by Social Safeguard Officer in consultation and with the involvement of relevant higher level officers of PMU or PIC, as required. Complaints that cannot be addressed at the level of officers of PMU will be forwarded to GRC for resolution.
- 11.5 The structure and organization of a GRM will depend on the significance and complexity of anticipated impacts and risks of the project. The number of tiers a GRM will have is decided by EA/IA in concerned project areas in light of the number of PAPs, the nature of project impacts on them, and the significance of anticipated resettlement impacts. Generally, proposed GRM for the CSRPs have three tiers, namely, GN level, the divisional Secretariat Level GRC and the higher level GRC at ministry level. The presence of a GRM or seeking relief from a GRM is not a bar to take grievances to national courts for arbitration.
- 11.6 All disputes related to land acquisition, delays in providing cash compensation and resettlement assistance, handing over of dwelling units at relocation sites, land issues such as land ownership disputes will be dealt by GRCs. A PAP can complain to the GRC in writing or verbally to the concerned Social Safeguard Officer of PMU or PIU as facilitated through grievance boxes which are fixed in their settlement, GN office, Railway Stations and PMU office. Such verbal or complaints received in writing will be recorded in

the master register at the PMU or PIU. After registration, concerned Social Safeguard Officer will try to give a resolution at PMU /PIU level. If it seems impossible to handle it at project office level, will be forwarded to the GRCs at GN site level, divisional level and ministry level until it gets resolved.

11.7 The GRC will meet according to a publicized timetable. This information will be disseminated among all PAPs. It will call public meetings to arbitrate grievances. Each session/meeting will be held at a place convenient for the grieved PAPs to attend. GRC procedures will be publicized through notices, at community meetings and public workshops organized for the GRC stakeholders. PAPs will be made aware of the presence of GRM, its powers and benefits during consultations and group discussions. At such gatherings, PAPs are encouraged to discuss their views on the structure and functions of GRM.

11.8 Once the PAPs complaints are passed from PMU to the three level of GRCs which will address them promptly, using a transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of PAPs at no costs and without retribution. GN in the area is the chairman for the first site level GRC which will try to solve simple complaints with its members who comprise social safeguard officer of PMU/PIU as the secretary, representatives from PIU and project contractor, member from CBO/NGO/ religious leader and woman representative from the local community. The complaints which cannot be solved at site level will be referred to the regional level GRC which will be chaired by relevant Divisional secretary in the area. DS will be supported by other members who will comprise the DPD (Environment and social safeguards)/PMU as the secretary, representatives from PIU and project contractor, representative from CBO/NGO /religious leader in the area, member from mediation board and woman representative in the area. Any complaint which could not be solved at this regional level GRC, will be forwarded to the national level GRC in which Secretary of ministry of Transport Services Management will chair for meetings with the project director of CSRP as the secretary. Representative from PIU and member of CBO will participate as other members. If necessary, representatives from other line agencies like SLR or NHDA etc can be invited for all above three GRCs to facilitate the resolving of complaints or issues. Decision taken at the national level will be the final and will be informed in writing to the complainant. All GRC deliberations and decisions will be recorded and will be available for public reference.

B. Resettlement Administration

11.9 Each RAP will succinctly outline the institutional arrangements for implementing it. The institutional arrangements for RAP implementation will present both as a narration and a diagram showing the responsibilities and reporting arrangements. The Railways Department will be the executing agency (EA) of a subproject/component and the implementing agency (IA) of each subproject/component will be in charge of implementing it. Management and construction consultants and agencies also assist the IA to implement the RAP.

11.10 Each IAs should have sufficient experience in involuntary resettlement planning and implementation. Its willingness and capability to prepare and implement a RAP is to be

ascertained by the project manager and deputy manager (safeguards). If internal capacity is weak, safeguard consultants should be appointed to prepare RAPs and implement them.

C. Project Management Unit (PMU)

11.11 The Project has a project Management Unit (PMU). One of its tasks is to oversee social and environmental safeguard compliance during social impact assessment, formulation of RAPs, their implementation and monitoring at the project level. The PMU has a Safeguards Branch headed by a Deputy Project Director (safeguards) who is supported by full time social and social safeguard specialists in the formulation of RAPs, resettlement due diligence reports, and resettlement monitoring reports (The other branch of the PMU is the Land Branch). Social safeguard specialists will prepare the social consultants' TORs and forward them to ADB for review. The specialists' key activities include: (i) screening of proposed projects for potential resettlement impacts and risks; (ii) reviewing of project alternatives to avoid or minimize resettlement impacts; (iii) assessing social impacts of the project; (iii) formulating an appropriate strategy for public consultations and resettlement information disclosure; (iv) formulating RAPs with resettlement consultants; and (v) establishing GRMs at the subproject level and operationalizing them, and (vi) monitoring resettlement implementation and performance of GRMs. PMU is the key institutional unit that corresponds with ADB and the Government agencies on project matters. It will forward planning and implementation documents, monitoring reports and due diligence reports to the Ministry of Transport and Civil Aviation and ADB for approval.

D. Resettlement Staff, Consultants, NGOs and CSOs

11.12 While EA will be responsible for overall coordination, planning, and financing of the resettlement programme, the implementation of RAP is the responsibility of PMU. Before commencing socioeconomic surveys and the formulation of RAP, EA will recruit social development specialists as staff members of the PMU who are familiar with land and resettlement regulatory framework and ADB involuntary resettlement policy and procedures. The specialists conduct surveys and formulate RAPs and social due diligence reports of the project closely following the approved Resettlement Framework. They through EA/IA could hire resettlement staff/consultants to assist resettlement planning, implementation, and monitoring.

11.13 Involuntary resettlement is a sensitive process, and the officials who are engaged in resettlement implementation need field experience in resettlement, rehabilitation, and community development. In order to facilitate good rapport with the affected communities and oversee resettlement implementation, experienced and well-qualified civil society organizations (CSOs) can be hired to assist PMU/PIU in RAP implementation, especially in case of category 'A' subprojects/components. Such organizations or agencies can play the role of a facilitator and work as a link between PMU and the affected communities. They will assist PAPs in income restoration and improvement through training in skill development and providing access to various government development schemes/ agencies that provide financial assistance, skill training programs and loans for small enterprises.

E. Project Implementation Units

11.14 The PMU will be supported by project implementing units (PIUs) in the field. Each subproject/component will have a PIUs working under the supervision of the PMU. If required, resettlement officers will be hired to assist PIU/field offices for social impact assessment, formulation of RAP, and their implementation, and monitoring.

11.15 The roles and responsibilities of various agencies to be involved in resettlement planning process and implementation of resettlement activities are summarized below.

Roles and Responsibilities of Agencies in Resettlement Planning and Implementation	
Activity	Agency Responsible
Establishment of a Resettlement Safeguard Unit and Land Acquisition Units at EA and appointment of Deputy Directors for Environmental and Social Safeguards and Land Acquisition, Resettlement and Social Specialists	EA/PMU
Hiring of resettlement consultants (RCs), external monitors (EMs)	EA/PMU
Organizing resettlement training workshops	EA, PMU
Screening project affected area to identify resettlement impacts	PMU/ADB
Determining the scope of RAP	EA in consultation with ADB
Social Impact Assessment and preparation of land acquisition plan, Census, Socioeconomic Surveys, and RAP	EA/PMU, DPD/Lands, resettlement specialists and consultants
Hiring Civil Society Organizations (CSO) and NGOs RAP implementation	EA, PMU
Public consultation and disclosure of RAP	PMU, NGO, CBO
Co-ordination with divisional administration for land acquisition, relocation and income restoration and improvement	IA, PMU/DPD/Lands, Resettlement Specialists and Consultants
Declaration of cut-off date	EA, Divisional Secretary (DS), Resettlement specialists
Reviewing and obtaining the approval for RAP from ADB	EA, PMU
Appointment of GRC	EA, PMU
Submission of land/property acquisition proposals to Divisional Secretary (DS)	PMU/DPD/Lands
Compensation award and payment of compensation	DS, PMU/DPD/Lands, Resettlement Specialists

Payment of replacement cost and allowances as compensation	DS, PMU, IA
Taking possession of the acquired land and structures	Divisional Secretaries
Handing over the acquired land to contractors for construction works	Divisional Secretaries
Notification of the date of commencement of construction to PAPs	PMU/PIU, NGOs, IA
Assistance in relocation particularly for vulnerable households	Resettlement Specialist, PMU/PIU, NGO, Divisional secretaries
Internal monitoring of RAP Implementation	PIU, RS, RC, NGO
External Monitoring and Evaluation (M&E) of RAP implementation	External Monitor, PMU, NGOs

XII. MONITORING AND REPORTING

- 12.1 The PMU/PIU will monitor the implementation of the RAP to determine whether resettlement goals have been achieved and livelihoods and living standards of PAPs have been restored and also to recommend how to further improve RAP implementation. The PMU/PIU will prepare half-yearly monitoring reports to submit to EA and ADB (During the first 2 years of the subproject/component, quarterly monitoring reports). The monitoring reports will focus on whether land and other property acquisition and resettlement activities have complied with safeguard involuntary resettlement safeguard principles and loan covenants of the Project. The reports will also document consultations conducted with PAPs and summaries of issues identified and actions taken to resolve them. They will also provide a summary of grievances or complaints lodged by PAPs and actions taken to redress them and the specific activities conducted to restore and improve income sources and livelihoods of PAPs.
- 12.2 The scope and frequency of resettlement monitoring will commensurate with the degree of significance of resettlement impacts and risks. Resettlement monitoring will involve (i) administrative monitoring to ensure that implementation is on schedule and problems are dealt with on a timely basis; (ii) socio-economic monitoring including income restoration and improvement during and after any resettlement impacts, utilizing baseline information established during socio-economic surveys; and (iii) overall monitoring to assess the socioeconomic status of the PAPs.
- 12.3 The resettlement planner will include key monitoring indicators in the RAP. They can be updated, expanded and revised during the project implementation. If any deviations from project's involuntary resettlement loan covenants or resettlement safeguard principles are reported in monitoring reports, EA/IA will prepare a corrective action plan (CAP) and will submit it to ADB for review and approval. The monitoring reports and CAP will be posted on ADB and EA websites.

- 12.4 In case of a significant involuntary resettlement impact is found which was not envisaged at the time RAP formulation, EA/IA engages an independent external monitor (EM) to examine it and suggest how to address it. In such a situation, the need to prepare an addendum to the RAP will be considered in consultation with ADB.
- 12.5 In addition, the external monitor will document good social safeguard practices as well as difficulties encountered in implementing the RAP. This document will provide guidance for subsequent projects. A sample of monitoring format is given below which needs to be elaborated during the RAP implementation stage.
- 12.6 Additionally, ADB will monitor the resettlement aspects of the project on an ongoing basis until a project completion report is issued.

Resettlement Monitoring Framework

Activity	Progress/Dates	Remarks
Assessment of involuntary impacts of the changes to project design, if any,		
Updating RAP based on changes introduced the project design, if any.		
Approval of updated RAP by ADB		
Appointment NGO, if required		
Disclosure of updated RAP on EA and ADB websites. Distribution of copies of the update among PAPs and other stakeholders		
Establishment of GRM/Committee		
Capacity building of EA/IA, if required		
Verification of census; assessment on compensation and assistance, and readjustment		
Land acquisition programme		
Payment of compensation at replacement cost of land & assets to PAPs		
Disbursement of resettlement assistance to title holder PAPs and others such as squatters, leaseholders		
Disbursement of assistance to non-title holder PAPs		
Disbursement of special assistance to vulnerable groups		

Activity	Progress/Dates	Remarks
Number of vocational training provided to PAPs		
Linking PAPs with local, provincial development schemes		
Planning for relocation sites as per RAP		
Shifting PAPs to relocation sites as per the RAP		
Replacement/shifting of community property resources		
Reinstallation of public utilities		
Preparation/ updating of income and livelihood restoration plan based on changes in the project design		

XIII. RESETTLEMENT BUDGET

- 13.1 Detailed budget estimates for each RAP will be prepared by the PMU to include in the overall tranche budget. The budget will include: (i) detailed costs of land acquisition, and livelihood and income restoration and improvement; (ii) source of funding; (iii) administrative, including staff training; (iv) monitoring costs; (v) cost of hiring consultants and the NGO; (vi) arrangement for approval, and (vii) flow of funds and contingency arrangements. All land acquisition, compensation, and rehabilitation, administrative, monitoring and consultant cost, income and livelihood restoration cost will be considered as an integral component of subproject costs, and the EA/IA ensures that timely disbursement of sufficient funds for RAP implementation is provided. The EA, through the IA and in consultation with PAPs and appropriate divisional and provincial officials will determine the cost of land acquisition, relocation and rehabilitation. The approved cost will be allocated in advance in the annual budget of EA. All cash compensation packages will be paid to PAPs before any construction activity of the subproject/component commences. Resettlement assistance programmes will start before construction works start and may continue during the project implementation phase.
- 13.2 The Divisional Secretaries pay cash compensation to PAPs for land and other property losses and damages. The EA will deposit the approved compensation funds in the Divisional Secretariat accounts.
- 13.3 Separate arrangements will be prepared by the PMU for the distribution of housing units at the relocation sites. The selection criteria of housing units, the timetable of relocation, who is in charge of transportation of PAPs' belonging to the new housing units and the provision of facilities at new relocation sites will be stated in the RAP.
- 13.4 EA/IA will provide resettlement assistance and other rehabilitation measures to PAPs. The implementing NGO, if recruited by the project, will involve in facilitating the

disbursement process and income and livelihood rehabilitation programme. An outline of a budget is given below.

13.5 A separate income and livelihood restoration and improvement plan will be prepared and attached to the RAP.

Resettlement Budget & Cost Estimates

Item		Unit Rates	Total Quantity	Compensation (in Rs.)	R&R Costs (Rs.)
A: Compensation for Acquisition of Private Properties					
1	Agricultural Land				-
2	Homesteads for Residential/Commercial				-
3	Residential Structures/units				-
4	Commercial Structures				
5	Trees	Fruit-bearing			
		Timber			
		Perennial Crops			
		Standing Crops			
6	Special payments (if any)				
7	Interest accrued for delays in compensation payment				
		Sub-total			
B: Resettlement & Rehabilitation Assistance					
1.	Agricultural Land (top up value to meet replacement cost)				
2.	Homestead Land for Residential /Commercial (top up value to meet the replacement cost)				
3.	Residential Structure (top up value to meet the replacement cost)				
4.	Commercial Structure (top up value to meet the replacement cost)				
5.	Non-titleholder structures				
6.	Transitional allowances				
7.	Shifting allowance				
8.	Training assistances				
9.	Assistance to urban employees/wage workers/agricultural Labourers/ Sharecroppers/leaseholders				
10.	Additional Support to vulnerable households				
11.	Income restoration and improvement costs				
	Sub-Total				
C: Community Infrastructure/Common Property Resources					
1.	Community Infrastructure Improvement/ Installation				
2.	Religious Structures				
3.	Government Buildings				
D: Support implementation of RAP					
1.	Independent Monitoring & evaluation Agency				
2.	NGOs Assistance for RP Implementation				
	Sub-Total				
	TOTAL (in Rs.)				
	Contingency (15% of the total)				
	Grand total (in Rs.)				

XIV. IMPLEMENTATION SCHEDULE

14.1 The RAP implementation schedule will vary from subproject to subproject. The process could become lengthy because of frequent disputes regarding land acquisition, delays in compensation calculation and payment and in constructing new housing units. Resettlement programme of a subproject/component comprises three key phases: RAP preparation, land acquisition, and rehabilitation of PAPs. The key involuntary resettlement-related activities of these three phases such as census and socio-economic survey, cut-off-date publication, resettlement planning, public consultation, disclosure of resettlement information, land acquisition, compensation payment, relocation, income restoration and improvement, monitoring and evaluation of resettlement implementation will be detailed in the implementation schedule.

14.2 The EA/IA will ensure that no physical or economic displacement of the affected households of a subproject/component will occur until: (i) physically displaced households are securely relocated at resettlement sites; (ii) compensation at full replacement cost has been paid to each land owner who lost land or replacement land has been provided; (iii) other entitlements listed in the resettlement plan are provided to PAPs; and (iv) a comprehensive income and livelihood rehabilitation programme, supported by adequate budget, is in place to help displaced persons, improve, or at least restore, their incomes and livelihoods.

Implementation Schedule

Resettlement Activity	Time Schedule	Progress
Screen subproject areas to identify potential resettlement impacts		
Determine the scope of resettlement planning and resources required		
Socioeconomic Surveys		
Census (population record)		
Declaration of the cut-off date for entitlements		
Determine land acquisition plan (by segment or section or as a whole)		
Preparation of RAP including relocation plans		
Hiring of Civil Society Organizations (NGOs), if required		
Public consultation and the disclosure of RAP		
Co-ordination with divisional administration on land acquisition and compensation payment		
Approval of RAP by ADB		
Submission of land acquisition proposals to Divisional Secretaries		
Compensation award and payment of compensation		
Payment of replacement cost and other involuntary resettlement allowances		
Taking possession of acquired land and structures		
Handing over of new dwelling units at relocation sites		
Handing over of acquired land to railway contractors		
Notify the date of commencement of construction to PAPs		
Assistance to PAPs, especially to vulnerable groups		

Internal monitoring of RAP Implementation		
External Monitoring and Evaluation (M&E)		
Project Completion Report		

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Annex 1: Preparation of a Resettlement Action Plan

Tasks and guidelines for the preparation of a Resettlement Plan

Tasks/activities	Guidelines
Conduct an initial social assessment	<ul style="list-style-type: none"> - Identify social and involuntary resettlement issues and their scope - Define project area and develop a database of its socio-economic conditions - Identify key stakeholders and conduct a stakeholder analysis - Consult and involve other stakeholders such as local government officials, non-government organizations. - Explore viable project alternatives to minimize social impacts, especially involuntary displacement, and assess whether resettlement and social impacts are significant or not
Conduct a social impact assessment using a sample survey and an inventory of losses survey	<ul style="list-style-type: none"> - Identify past, present, and future social impacts and review EIA/IEE reports of the project, if available, to gather supplementary data and information - Conduct a sample socio-economic survey and an inventory of displaced persons and affected assets - Assess involuntary resettlement impacts on communities other than displaced persons, and potential impacts on vulnerable groups, common property and other public resources - Develop data collection methods, strategies for hiring and fielding investigators, field supervision, data processing and analysis
Prepare an entitlement matrix	<ul style="list-style-type: none"> - Determine the cut-off date for qualifying compensation. Enumerate and register APs according to their respective locations (This would help in establishing a list of legitimate beneficiaries who live at the locations prior to project planning and to avoid false claims by those moving in to the project area to collect compensation and project benefits) - Identify the types of losses and set up a database of APs and the impacts (prepare an Inventory of Losses (IOL) at the household, commercial, and community level) - Set out eligibility criteria for their different losses - Determine replacement cost for land and structures which will be acquired to the project - Prepare an entitlement matrix for each type of loss and categories of affected persons (women, indigenous people, customary land users, encroachers, squatters, the poor, severely affected persons)
Conduct consultations with APs and other stakeholders and design information disclosure and a grievance redress mechanism	<ul style="list-style-type: none"> - Conduct stakeholder consultation workshops and record findings and suggestions - Disseminate information on resettlement plan, project activities, entitlements, and obtain views and preferences of stakeholders - List out strategies for information campaign and procedures for APs to negotiate their entitlements - Include a 'social preparation phase' when resettlement activities are likely to cause protests/objections

	<ul style="list-style-type: none"> - Study existing procedures of grievance redress systems and introduce robust mechanisms to deal with complaints from APs
Review legal and policy framework of involuntary resettlement	<ul style="list-style-type: none"> - Review the national legal framework and policies for land acquisition, compensation, relocation and income restoration, and identify gaps, if any, to address them in the entitlement matrix
Conduct a gender analysis	<ul style="list-style-type: none"> - Identify the needs of women who are affected by land acquisition, relocation and other project activities - Consult women and women groups to identify their needs, opinions, project impacts on them, and special assistance that they may require - Address their vulnerability arising from loss of livelihood and familiar living surroundings
Identify needs of vulnerable groups	<ul style="list-style-type: none"> - Identify and consult vulnerable groups including the poor - Assess the special needs of vulnerable households
Design income restoration/improvement programmes	<ul style="list-style-type: none"> - Identify persons/households severely affected in terms of their income and employment losses - Conduct consultations to develop an income restoration programme for all APs - Develop a special income improvement programme for vulnerable APs
Prepare a budget and an implementation schedule	<ul style="list-style-type: none"> - Estimate the costs of key activities of resettlement operations and provide necessary budgetary provisions - Maintain a contingency budget to address unanticipated resettlement impacts - Establish a timeframe for completion of activities such as information campaign, compensation payments, and relocation
Identify sources of funding to implement RAP	<ul style="list-style-type: none"> - Identify local and foreign funding sources - Estimate their adequacy to pay compensation at replacement cost - Pay special attention to income restoration and improvement programmes and their budgets
Establish institutional arrangements to implement RAP and to monitor their implementation	<ul style="list-style-type: none"> - Assess the institutional framework and capacity building requirements, if any, to implement RP - Identify agencies responsible for implementation and management of the resettlement process - Establish a Resettlement Unit with resettlement staff, if the project is large and complex - Establish a coordination committee at project and subproject level for resettlement management - Appoint a local NGO/CBO or a local authority to monitor implementation of RP - Include a list of monitoring indicators into RP
Outline arrangements for RP disclosure, review and approval	<ul style="list-style-type: none"> - Disclose the draft RAP for comments/observations from APs and other stakeholders - Indicate who will review the RP - Translate into Sinhala/Tamil - Indicate the approval authority and timeframe for approval

Source: Land Acquisition and Implementation of the National Involuntary Resettlement Policy: A Guide for Public Officials on Good Practices (2013)

Annex 2: Gap Analysis – Adequacy of Involuntary Resettlement Safeguards Regime to meet ADB Involuntary Safeguard Policy Principles, and Safeguard Implementation Capacity

	Aspect	GOSL Laws /Policies	ADB’s SPS	Measures to Bridge the GAP
1	Screen the project	Required under LAA and NIRP	Screen the project to identify past, present, and future involuntary resettlement impacts and risks. Conduct survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement	No gap.
2	Consultation with stake holders and establish grievance redress mechanism	Does not require under LAA as amended. It is a requirement under NIRP. For grievance redressal, no provision in the LAA, but a requirement under the NIRP	Carry out meaningful consultations with stakeholders. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention vulnerable groups. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons’ concerns.	No gap.
3.	Improve, or at least restore, the livelihoods of all displaced, and payment at replacement cost	LAA does not have provisions. But NIRP stipulates the necessity of income restoration and improving the standard of living. Provided in the NIRP, replacement cost according to regulation gazette on 20, January 2009.	Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.	No gap.
4.	Assistance for displaced persons	LAA does not have provisions. But NIRP requires assistance	Provide physically and economically displaced persons with needed assistance	No gap.

	Aspect	GOSL Laws /Policies	ADB's SPS	Measures to Bridge the GAP
5.	Improve standard of living of displaced vulnerable groups	LAA is silent on this Aspect. NIRP requires special treatment for the vulnerable groups.	Improve the standards of living of the displaced poor and other vulnerable groups.	No gap.
6.	Negotiated Settlement	Not covered by LAA.	Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status	CSRP will follow ADB SPS
7.	Compensation For non-title holders	Provided in the NIRP, Not in the LAA	Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.	CSRP will follow ADB SPS.
8.	Requirement of RP	Does not require under the LAA as amended, NIRP requires that a comprehensive RP for projects exceeding displacement of more than 20 HHs and a RP of lesser detail if the number of HHs displaced is less than 20. A project affecting 100 HHs are considered as a prescribed project under the NEA; such project requires the approval of the CEA before implementation but does not address the resettlement issues.	Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule. Required for Category A and B projects.	No gap.
9.	Public disclosure	Provided in the NIRP, Not required under the LAA as amended. If the project is subject to an IEE or EIA, the report should be available for the information of the public or public comments respectively.	Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.	No gap.
10.	Cost of resettlement	Budget to be allocated by government for relevant project.	Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits.	No gap.

	Aspect	GOSL Laws /Policies	ADB's SPS	Measures to Bridge the GAP
11.	Taking over possession before Payment of compensation	<p>NIRP does not allow, LAA provides statutory compensation to be paid in instalments, but NIRP does not agree</p> <p>For emergency acquisition, under 38(a) of LAA, acquisition is allowed after 48hrs, even without paying compensation. But according to NIRP, not without paying replacement cost and reasonable notice NIRP does not supersede the LAA since it is a statutory act. But in order to provide relief to the displaced people, NIRP is being implemented on a directive by the Cabinet of Ministers of the GOSL.</p>	Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.	<p>CSRP will follow the NIRP and SPS as indicated in the RAP. Full compensation at the replacement cost has to be paid to the displaced person before any physical or economic displacement will occur.</p> <p>CSRP will ensure that no physical or economic displacement will occur until 1) compensation at full replacement cost has been paid to each displaced person, 2) other entitlements listed in the RAP have been provided to the DPs, and 3) a comprehensive income and livelihood rehabilitation program supported by adequate budget is in place for the DPs</p>
12.	Monitoring	Required under NIRP	Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.	CSRP will follow schedule per SPS

Annex 3: INVOLUNTARY RESETTLEMENT IMPACT CATEGORIZATION CHECKLIST

Probable Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
1. Will there be land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
Involuntary restrictions on land use or on access to legally designated parks and protected areas				
10. Will people lose access to natural resources, communal facilities and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned by the community or by the state restricted?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? If yes, approximately how many?	[] No		[] Yes	
Are any of them poor, female-heads of households, or vulnerable to poverty risks?	[] No		[] Yes	
Are any displaced persons from indigenous or ethnic minority groups?	[] No		[] Yes	

Annex 4: Entitlement Matrix

SN	Category and subcategory	Category of Losses	Definition of Entitled Person	Entitlements	Implementing Agency	Remarks
	A	Loss of Land				
1	A 1	Homestead, commercial land, agricultural land or vacant/barren land	Owner with legal title or registration certificate	<ul style="list-style-type: none"> (a) Cash compensation for the acquired land based on its replacement cost (b) If a part of the land is acquired and where the remaining part is viable for further using, compensation will be paid only for the affected part of the land at the replacement cost (c) If the remaining portion is not economically viable the Project will acquire the entire piece of land and pay compensation for it at the replacement cost. (d) Give prior notice to vacate the land in writing. 	<ul style="list-style-type: none"> 1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary and viability for further use of balance portion of partially affected land 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments. 	
2	A 2	Homestead, commercial land, agricultural land or vacant/barren land	Tenant and leaseholder	<ul style="list-style-type: none"> (a) No compensation for the land (b) Cash payment for loss of net income from the portion of land affected for the remaining period of the lease/agreement (c) Advance notice to vacate from the land 	<ul style="list-style-type: none"> 1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments. 	

3	A 3	Agricultural land	"Ade" farmers (share croppers)	(a) Same as the above.	<ol style="list-style-type: none"> 1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary and viability for further use of balance portion of partially affected land 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments. 	
4	A 4	Homestead, commercial land, agricultural land or vacant/barren land	Non-title person	<ol style="list-style-type: none"> (a) No compensation for the land (b) Compensation for land improvements and structures. (c) Provision of advance notice to vacate from occupied land 	<ol style="list-style-type: none"> 1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary and viability for further use of balance portion of partially affected land 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments. 	
B		Loss of Structure				

5	B1	Loss of residential structure	Owner with legal title or registration certificate	<p><u>Option one: Self Relocation</u></p> <p>(a) Cash compensation for the affected structure based on its replacement cost (without depreciation)</p> <p>(b) If a part of the structure is affected and where the remaining part is viable for residing/further using, compensation is paid only for the affected part of the structure at the replacement cost (without depreciation) according to the actual loss and to repair or rebuild the structure to its original condition</p> <p>© If only a part of the structure is affected and the balance portion is rendered structurally not viable for further use, compensation is paid based on the replacement cost (without depreciation) of the full house.</p> <p>(d) Right to salvage materials from the demolished structure without any charge.</p> <p>(e) Self-relocation allowance to the household approved by the Cabinet of Ministers</p> <p>(f) Advance notice to vacate the affected structure in writing.</p> <p><u>Option two: Alternative Housing</u></p> <p>(a) House-for-house with better facilities built at an UDA apartment block based on the floor area and the number of members of the affected household.</p> <p>(b) In case where alternative housing unit has less replacement value than that of the affected house, the claimant is entitled for one housing unit plus the balance value of compensation valued at the replacement cost (without deduction for depreciation)</p> <p>(c) Right to salvage materials from the demolished structure without any charge</p> <p>(d) Advance notice to vacate the affected structure in writing.</p>	<ol style="list-style-type: none"> 1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary and viability for further use of balance portion of partially affected structure 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments. 	Self-relocation allowance is defined as per the 2016 amendment LARC of 2013.
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6	B 2	Loss of residential structure	Non-titled dweller	<p>Option one: Self Relocation</p> <p>(a) Cash compensation for the full or partially affected structure based on the replacement cost (without depreciation) of the full house</p> <p>(b) Right to salvage materials from the demolished structure without any charge</p> <p>(c) Self-relocation allowance approved by the Cabinet of Ministers</p> <p>(d) Advance notice to vacate the affected structure in writing.</p> <p>Option two: Alternative Housing</p> <p>(a) House-for-house with better facilities in an UDA apartment block based on the floor area and the number of members of the affected household.</p> <p>(b) In case where alternative housing unit has a less replacement value than that of the affected house, the claimant is entitled for one housing unit plus the balance value of compensation valued at replacement cost (without deduction for depreciation)</p> <p>(c) Right to salvage materials from the demolished structure without any charge</p> <p>(d) Advance notice to vacate the affected structure in writing.</p>	<ol style="list-style-type: none"> 1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary and viability for further use of balance portion of partially affected structure 3. DS/DPD land CSRP manage repossession process and make payments. 	Self-relocation allowance is defined as per the 2016 amendment LARC of 2013.
7	B 3	Loss of other primary and secondary structures	Owner with legal title or the registration certificate	<ol style="list-style-type: none"> (a) Cash compensation for the affected structure based on replacement cost (without depreciation) (b) If part of the structure is affected and where the remaining part is viable for further using, compensation will be paid only for the affected part of the structure at replacement cost (without depreciation) according to the actual loss to repair or rebuild the structure to its original condition (c) If only part of the structure is affected and the balance portion is rendered structurally not viable for further usage, compensation based on replacement cost (without depreciation) of the full structure 	<ol style="list-style-type: none"> 1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary and viability for further use of balance portion of partially affected structure 3. DS/DPD land CSRP act as acquiring officer 	

				<ul style="list-style-type: none"> (d) Right to salvage materials from the demolished structure (e) Advance notice to vacate the affected structure in writing. 	manage acquisition process and make payments.	
8	B 4	Loss of other all structures	Non-titled person	<ul style="list-style-type: none"> (a) Cash compensation for the full or partially affected structure based on replacement cost (without depreciation) of the full structure (b) Right to salvage materials from the demolished structure (c) Advance notice to vacate the affected structure in writing. 	<ul style="list-style-type: none"> 1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary and viability for further use of balance portion of partially affected structure 3. DS/DPD land CSRP manage repossession process and make payments. 	

9	B 5	Loss of rental accommodation	Tenants and leaseholder	<p>(a) For registered lessees under the Rent Act, compensation for the unexpired period of the rent or lease</p> <p>(b) Protected tenants will be entitled as per the Rent (Amendment) Act No. 26, 2002. If there is partial loss of rental accommodation, the tenant has the option to continue to stay on with the agreement of the owner, OR, if there is complete loss and the tenant wishes to move out, the difference between the replacement value and the statutory payment will be divided between the occupant and the owner on the following basis:</p> <table border="1" data-bbox="953 630 1524 857"> <thead> <tr> <th>Period of Occupancy (No. of Years)</th> <th>Compensation to Tenant (% of Total)</th> <th>Compensation to Owner (% of Total)</th> </tr> </thead> <tbody> <tr> <td>20 <</td> <td>75</td> <td>25</td> </tr> <tr> <td>10 ≤ 20</td> <td>50</td> <td>50</td> </tr> <tr> <td>5 ≤ 10</td> <td>25</td> <td>75</td> </tr> <tr> <td>< 5</td> <td>10</td> <td>90</td> </tr> </tbody> </table> <p>(c) Compensation for any development or improvement effected on the structure at replacement value, if done with the owner's consent.</p> <p>(d) Tenant will not be protected under the Act if there is a partial loss of rental accommodation. The tenant has the option to continue to stay on agreement with the owner, or if the displaced household chooses to move out, cash assistance (equivalence of the value of rent for six month)</p> <p>(e) Advance notice for relocation in writing</p>	Period of Occupancy (No. of Years)	Compensation to Tenant (% of Total)	Compensation to Owner (% of Total)	20 <	75	25	10 ≤ 20	50	50	5 ≤ 10	25	75	< 5	10	90	<ol style="list-style-type: none"> CV assess all valuations as per LAA and 2008 regulations EAC will decide the ex-gratia payment if necessary and viability for further use of balance portion of partially affected structure DS/DPD land CSR act as acquiring officer manage acquisition process and make payments. 	
Period of Occupancy (No. of Years)	Compensation to Tenant (% of Total)	Compensation to Owner (% of Total)																			
20 <	75	25																			
10 ≤ 20	50	50																			
5 ≤ 10	25	75																			
< 5	10	90																			
10	B 6	Loss of rental accommodation	Users of public quarters	<p>(a) Ex-gratia payment decided by the Cabinet of Ministers</p> <p>(b) Official quarters affected will be rebuilt by the project. Depending on service requirements, the occupant will be assured of accommodation in official quarters reconstructed on priority basis</p>	<ol style="list-style-type: none"> CV assess all valuations as per LAA and 2008 regulations EAC will decide the Ex-gratia payment 																

				(c) Government structures shall be rebuilt with improved conditions. (d) Advance notice for relocation in writing.	3. DS/DPD land CSRP manage repossession process and make payments		
11	B 7	Loss of tombs or graves	All owners	(a) Cash payments per tomb/grave to cover the cost of exhumation (including religion any ceremony), if required relocation	1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments.		
C		Loss of Crops and Trees					
12	C 1	Loss of crops and trees	Owner with legal title or registration certificate	(a) Provision of reasonable advance notice enabling harvesting of the standing seasonal crops or cash compensation for the crops damaged (b) Cash compensation for loss of perennial crops and fruit bearing trees affected based on their current market price (c) Allowed to retain felled trees free of charge	1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments.		
13	C 2	Loss of crops and trees	Tenants and lease holder or "Ade" farmers	(a) Reasonable advance notice enabling harvesting of the standing seasonal crops, or compensation for crops damaged or destroyed. (b) Cash compensation for the loss of perennial crops and fruit bearing trees affected based on their current market price, if cultivated by tenant or user with lease.	1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary		

					3. DS/DPD land CSRP manage to make payments	
14	C 3	Loss of crops and trees	Non- titled person	<p>(a) Reasonable advance notice enabling the harvesting of standing seasonal crops, or compensation for crops damaged</p> <p>(b) Cash compensation for loss of perennial crops and fruit bearing trees affected based on current market price, if cultivated by user.</p> <p>(c) All felled trees will be given back to the owners; if trees on the state land will be given to Timber Cooperation</p> <p>(d) Trees on the SLR lands will be removed according to the SLR regulations.</p>	<p>1. CV assess all valuations as per LAA and 2008 regulations</p> <p>2. EAC will decide the ex-gratia payment if necessary</p> <p>3. DS/DPD land CSRP manage repossession process and make payments</p>	
	D	Loss of Income				
15	D 1	Temporary loss of business income	Business owners or operators with or without registration	<p>(a) Assist in finding alternative business place /shop with improved facilities on short-term lease at a commercial site (if available or planned) or at any public shopping scheme in the area on the payment of the lease premium</p> <p>(b) If the project fails to find an alternative suitable business place, cash compensation of Rs 15,000.00 will be paid based on the average income of the preceding three months for a period of six months or EAC can decide the period to provide compensation</p> <p>(c) Transport of goods and materials by the project or a cash payment to the business owner for transport depending on the volume of goods and materials to be transported</p>	<p>1. CV assess all valuations as per LAA and 2008 regulations</p> <p>2. EAC will decide the ex-gratia payment if necessary</p> <p>3. DS/DPD land CSRP manage to make payments</p>	Monthly cash allowance of Rs 15,000.00 as proposed by LARC of 2013
16	D 2	Permanent loss of business income	Business owners with business names registration, income tax payers	<p>(a) Assist in finding alternative business place/shop with improved facilities on long-term lease at any commercial site (if available or planned) or at any other public shopping scheme in the area on the payment of the lease premium</p> <p>(b) If the project fails to find an alternative business place, cash compensation will be paid up to 32 months, based on the average adjusted profit of the</p>	<p>1. CV assess all valuations as per LAA and 2008 regulations</p> <p>2. EAC will decide the ex-gratia payment if necessary</p>	

				immediately preceding three years on the production of tax declaration documents. (c) Transport of goods and materials by the project or a cash payment to the business owner for transport depending on the volume of goods and materials to be transported.	3. DS/DPD land CSRP manage to make payments	
17	D 3	Permanent loss of business income	Informal business owners	(a) Assist in finding alternative business place/shop with improved facilities on long-term lease at a commercial site (if available or planned) or any other public shopping scheme in the area on the payment of the lease premium (b) If the project fails to find an alternative business place, a monthly cash allowance of Rs: 15,000.00 will be paid for 18 months as livelihood assistance, or a cash compensation will be paid based on the average income of the preceding three months for a maximum period of 18 months, whichever is higher. (c) Transport of goods and materials by the project or a cash payment to the business owner for transport depending on the volume of goods and materials to be transported	1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary 3. DS/DPD land CSRP manage to make payments	Monthly cash allowance of Rs 15,000.00 as proposed by LARC of 2013
18	D 4	Temporary loss of income from wage labour and employment	Wage workers including laborers, employees	(a) Livelihood assistance grant of Rs 45,000.00 or cash compensation will be paid based on the average income/wages of the preceding three months for a maximum period of three months, whichever is higher (b) Advance notice for relocation in writing	1. EAC will decide the ex-gratia payment if necessary 2. DS/DPD land CSRP manage to make payments	Monthly cash allowance of Rs 45,000.00 as proposed by LARC of 2013
19	D 5	Permanent loss of income from wage labour and employment due to relocation of business to another area or decided not to re-establish the business	Wage workers including laborers, employees	(a) Livelihood assistance grant of Rs 90,000.00 or cash compensation will be paid based on the average income/wages of the preceding three months for a maximum period of six months, whichever is higher. (b) Advance notice for relocation in writing	1. EAC will decide the ex-gratia payment if necessary 2. DS/DPD land CSRP manage to make payments	Monthly cash allowance of Rs 90,000.00 as proposed by LARC of 2013
E		Livelihood restoration and rehabilitation				

20	E 1	Loss or effects on livelihood due to relocation	Poor persons, self-employed persons, small businessmen, vulnerable persons	(a) Professional assistance and advice to invest/setup business, access to credit to obtain production assets, partnership arrangements; (b) Skills training for livelihood strengthening for a maximum of two youths (one male and one female) from the interested relocated households; (c) Housekeeping assignments at the business places, relocation sites and employment at civil works of the project, if available. (d) Assistance to avail of a shop on long-term lease at any commercial site (if available or planned by local authority) or at another public shopping scheme on the payment of the lease premium	EAC will decide the ex-gratia payment if necessary									
F		Disturbance and Other Allowances												
21	F 1	Loss of access to electricity, water and fixed telecommunication connections	Relocated households, business owners, structure owners, institutions (regardless of the ownership of the land)	(a) Cost of obtaining access to all utility services	EAC will decide the ex-gratia payment if necessary									
22	F 2	Cost of re-fixing of fixtures and fittings	Relocated households, business owners, structure owners, institutions (regardless of the ownership of the land)	(a) An allowance of Rs 10,000.00 by enabling re-fixing fixtures and fittings	1. CV assess all valuations as per LAA and 2008 regulations 2. DS/DPD land CSRP manage to make payments	LARC of 2013 proposes the re-fixing fixtures allowance as Rs 5000.00 but considering the high cost of living, Rs 10,000.00 were proposed								
23	F 3	The cost incurred in change of residence- Shifting	Relocated households (regardless of the ownership of the land)	(a) Shifting allowance based on the floor area of the affected house or premises. <table border="1" data-bbox="974 1295 1457 1409"> <thead> <tr> <th>Floor area (Sq.ft.)</th> <th>Allowance (Rs.)</th> </tr> </thead> <tbody> <tr> <td><1000</td> <td>10,000.00</td> </tr> <tr> <td>1000 – 2000</td> <td>15,000.00</td> </tr> <tr> <td>>2000</td> <td>25,500.00</td> </tr> </tbody> </table>	Floor area (Sq.ft.)	Allowance (Rs.)	<1000	10,000.00	1000 – 2000	15,000.00	>2000	25,500.00	1. CV assess all valuations as per LAA and 2008 regulations 2. DS/DPD land CSRP manage to make payments	
Floor area (Sq.ft.)	Allowance (Rs.)													
<1000	10,000.00													
1000 – 2000	15,000.00													
>2000	25,500.00													

24	F 4	Expenses for finding alternative accommodation	Households, business or institutions owners who will be relocated (regardless of the ownership of the land)	(a) <i>Rent allowances will be paid based on the period decided by the EAC,</i>	DS/DPD land CSRP manage to make payments	Rent allowances for 06 months based on the floor area as proposed by LARC of 2013																				
				<table border="1"> <thead> <tr> <th>Floor area (Sq.ft.)</th> <th>Municipal Council area (Rs.)</th> <th>Urban Council area (Rs)</th> <th>Pradeshya Saba area (Rs)</th> </tr> </thead> <tbody> <tr> <td><500</td> <td>50,000.00</td> <td>40,000.00</td> <td>20,000.00</td> </tr> <tr> <td>500 – 750</td> <td>60,000.00</td> <td>50,000.00</td> <td>30,000.00</td> </tr> <tr> <td>750 – 1000</td> <td>75,000.00</td> <td>60,000.00</td> <td>40,000.00</td> </tr> <tr> <td>>1000</td> <td>100,000.00</td> <td>75,000.00</td> <td>50,000.00</td> </tr> </tbody> </table>			Floor area (Sq.ft.)	Municipal Council area (Rs.)	Urban Council area (Rs)	Pradeshya Saba area (Rs)	<500	50,000.00	40,000.00	20,000.00	500 – 750	60,000.00	50,000.00	30,000.00	750 – 1000	75,000.00	60,000.00	40,000.00	>1000	100,000.00	75,000.00	50,000.00
				Floor area (Sq.ft.)			Municipal Council area (Rs.)	Urban Council area (Rs)	Pradeshya Saba area (Rs)																	
				<500			50,000.00	40,000.00	20,000.00																	
				500 – 750			60,000.00	50,000.00	30,000.00																	
750 – 1000	75,000.00	60,000.00	40,000.00																							
>1000	100,000.00	75,000.00	50,000.00																							
(Household should be signed an MOU with the Project allowing it to proceed with project construction works																										
G Special Assistance																										
25	G 1	Effects on vulnerable household heads	Household heads with vulnerabilities (poor households below the National Poverty Line, elderly, and female-headed households, chronically ill).	(a) Ex-gratia payments determined by EAC taking into consideration the severity of their individual vulnerabilities	EAC will decide the ex-gratia payment if necessary	Special resettlement assistance of Rs 15,000.00 as proposed by LARC of 2013.																				
	G 2	Effects on sub families	Sub families living within the main housing unit/dwelling who shall be self-relocated	(a) Self-relocation allowance of Rs 1000,000.00 and rehabilitation assistance, as required	1. EAC will decide the allowances / incentives																					
H Additional Allowances and Incentives																										
26	H 1	Expenses incurred during the acquisition process	Household head who appears before Section 9 Inquiry of LAA	(a) Cash Allowance of Rs 10,000.00 to the PAP who appears before Section IX Inquiry as approved by Cabinet of Ministers																						

27	H 2	Incentive payment for handing over possession of properties before the deadline.	Households or business owners who have titles and will be relocated	(a) An allowance equivalent to 25% of the statutory payment.	EAC will decide the ex-gratia payment if necessary	
28	H3	Compensation packages not available in any other sub sections.	Tenants and self-employed person	(a) Maximum cash payment of LKR 15,000 for each household.	EAC will decide the ex-gratia payment if necessary	For tenants and self-employed persons who do not receive compensation, Rs 15,000.00 as proposed by LARC of 2013
29	H4	When an owner of a house or an investment property is displaced.	Owner of a house or an investment property	(a) Based on replacement value/market value, an additional payment of 10%:	1. CV assess all valuations as per LAA and 2008 regulations 2. DS/DPD land CSRP manage to make payments	
I Loss of community Resources						
30	I 1	Loss of cultural resources (shrines, temples, mosques, structures and objects of religious and cultural significance)	Local community and groups	(a) Replacement/reconstruction of cultural resources and replacement of common property resources in consultation with the managing trustees as appropriate will be affected at the earliest possible time (b) Cash allowance to cover cost of exhumation including for performance of any religious rites and ceremonies required, according to prevailing customs	1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments.	
31	I 2	Loss of civic and social service facilities (local roads, footpaths, playgrounds,	Local community and groups	(a) Rehabilitation/restoration of civic or social service facilities to their original or better condition in consultation with the community organizations and managing trustees of the property, as appropriate, OR, (b) Relocation/replacement, if necessary, in	1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment	

		common wells, water points etc.)		consultation with affected communities, OR, (c) Cash payment at full replacement cost, AND, (d) Provision of temporary services during civil work to avoid inconvenience to the user groups, AND (e) Restoration of access to community resources	if necessary 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments.	
32	I 3	Loss of social capital / Occurrence of social alienation	Host community and re-settlers affected by poor integration and weak social relations with each other	(a) Assist Project Partner Agencies in forming and developing community organizations involving both host community and re-settlers for social capital enhancement. (b) Facilitate to conduct social events among the host and relocated households; (c) Assist partner agencies in implementing common welfare activities and other services that benefit both host community and re-settlers	DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments. EAC will decide the ex-gratia payment if necessary	
J		Public Utility Services				
33	J 1	Public utilities impacted	Owners of the Public utilities (CEB, NWSDB, SLT, etc.)	(a) Relocation in a location identified in consultation with relevant authorities.	1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary 3. DS/DPD land CSRP act as acquiring officer manage acquisition process and make payments.	
K		Temporary Impact				
34	K1	Temporary Adverse Impacts of Civil Works (such as loss of access, damage to property or land, safety hazards, impact of mobility)	Legal titleholder; licensed vendor, Tenant/leaseholder; Non-titled; Hawkers, vendors, employees of commercial	(a) Public notice at the site informing the people about: work schedule, likely temporary impacts, (b) Cash compensation for any assets affected (e.g., boundary wall demolished, trees removed) (c) Necessary traffic management measures for facilitating mobility; (d) Special measures to provide access for continuing trade/business (e) All temporary use of lands outside Proposed	1. CV assess all valuations as per LAA and 2008 regulations 2. EAC will decide the ex-gratia payment if necessary 3. DS/DPD land CSRP manage to	

			structure, wage labourers; Local communities	ROW to be through written approval of the landowner and contractor. Location of construction camps will set up by contractors in consultation with the implementing agencies.	make payments.	
	L	Unanticipated Resettlement Impacts				
		<p>(a) Any unanticipated involuntary resettlement impacts of the project will be documented and mitigated based on the spirit of the principles agreed upon in the Resettlement Action Plan</p> <p>(b) Any category of PAPs or property or services not identified or described in the above EM will be compensated/ addressed through the Ministerial Committee, case by case, considering relevant legal instruments as guidelines, and taking into consideration the observations of PMU's Social Officers and the relevant Divisional Secretary</p>				