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for

Punjab Munic ipal Services Improvem (PM SIP)

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List of Abbreviations

AMC Amritsar Municipal Corporation

BPL Below Poverty Line COI Corridor of Impact

CSOs Civil Society Organisations

DBOT Design, Build Operate and Transfer
DEA Department of Economic Affairs

DWSS Department for Water Supply and Sanitation

DUDA District Urban Development Agency
DLPFC District Land Price Fixation Committee

Gol Government of India GoP Government of Punjab

GRC Grievances Redress Committee
GRM Grievances Redress Mechanism
ESF Environment and Social Framework
ESS Environment and Social Standards

IA Implementing Agencies

LA Land Acquisition

LARR 2013 LARR Right to Fair Compensation and Transparency in Land

Acquisition, Rehabilitation and Resettlement Act, 2013

LAC/LAO Land Acquisition Collector/ Office LMC Ludhiana Municipal Corporation

MCs Municipal Corporations

PAPs/PDP Project Affected Persons/ Displaced Persons

PAH Project affected household
PwD People with disability
PMU Program Management Unit
PIU Project Implementation Unit

PWSSB Punjab Water Supply and Sewage Board

PPP Public-private partnership

PMIDC Punjab Municipal Infrastructure Development Company

MLD Million Litres per Day
M&E Monitoring and Evaluation
NGOs Non-Government Organization

OHT/OHSR/ESR Overhead Tank/ Overhead Service Reservoir/ Elevated Service

Reservoir

O&M Operations and Maintenance RAP Resettlement Action Plan

RPF Resettlement Policy Framework

RoW Right of Way

R&R Resettlement and Rehabilitation

SLBs Service Level Benchmarks
SIA Social Impact Assessment

SLLAB State Level Land Acquisition Board

SDM Sub- Divisional Magistrate
SOs Support Organisations
ULBS Urban Local Bodies
UBDC Upper Bari Doab Canal
WHHS Women headed households
WSS Water supply and sanitation
WTP Water Treatment plants

Executive Summary

- 1. WSS operations in urban centers in Punjab are poor when compared to benchmarks; cost recovery is low; municipal corporations subsidize operating deficits while government finances capital expenditure; internal capacities and systems are weak. Municipal Corporations (MCs) currently supply ground water from over 800 tube wells in Amritsar and 1000 tube wells in Ludhiana covering less than 5-15% of the total supply area. Current system is inefficient and allows for wastage as households are not incentivized to save. As a result, cities experience over-exploitation of ground water, excessive supply at high cost, low cost recovery and high waste water generation.
- 2. Government of Punjab (GOP) through Government of India (GOI) has requested World Bank for support to implement 24/7 continuous water supply projects in Amritsar and Ludhiana. With Technical Assistance (TA) from the World Bank pre-feasibility reports were prepared for both cities, which highlighted the need to migrate from rapidly depleting and contaminated decentralized ground water sources to centralized, treated surface water sources. The proposed project investment is expected to cost around US\$270 million, of which IBRD will finance 70 percent and GoP is 30 percent. The main components of the program are-Component 1: Strengthening urban and water supply service management, Component 2: Improving water supply infrastructure, and Component 3: Project management.
- 3. Component 1 of the project on strengthening urban and water supply services management focuses on strengthening systems and capacities of MCs in areas that enhance their capabilities on professional management of water supply service delivery through establishment of water and wastewater utilities; promoting accountability and transparency through performance linked subsidies for MCs; and development of revenue models for financial sustainability. Component 2 on improving water supply infrastructure will invest in Water Treatment Plants and core infrastructure (main clear water sump/tanks, transmission lines and overhead storage reservoirs (OHSRs) in both Amritsar and Ludhiana with the strategy to reduce consumer demand over time through appropriate tariffs. Component 3 on project management will support project management activities related to operations of PMU and PIUs in the two MCs including project coordination/ supervision, safeguards and fiduciary support, communications and outreach, capacity building.
- 4. As specific alignments and sites are in the process of being identified and overall land-related impacts based on an exact assessment of land requirements and their potential effect leading to involuntary physical and economic resettlement is still being determined a Resettlement Policy Framework (RPF) has been prepared to detail the measures, procedures and processes that need to be in place to inform the preparation of site-specific, sub-project level Resettlement Action Plans (RAPs). This RPF frames the procedures and principles based on which all land-related social impacts are to be measured and addressed using the risk mitigation hierarchy during the implementation of the project.

- 5. The RPF also describes the process to be adopted for undertaking socio-economic census, holding community and stakeholder consultations, screening of impacts, mapping vulnerabilities and likely impacts, processes for fixing eligibilities and compensations, providing forums to affected persons for airing resettlement related grievances and prescribing mitigation measures. This framework is consistent with World Bank ESS5 standard on 'Land Acquisition, Restrictions on Land and Involuntary Resettlement' as well as applicable national and state policy related to land acquisition and involuntary resettlement, especially the National legislation on 'Right To Fair Compensation And Transparency In Land Acquisition, Rehabilitation And Resettlement Act, 2013', which provides the overarching country level framework guiding land acquisition and resettlement.
- 6. The estimated land requirements under the project are as follows:

Optional Raw water Storage cum	On land adjacent to Canal to be secured from irrigation	
pre-settling tanks in both cities	department; land equivalent to that needed for WTPs	
Water Treatment Plants of 431	For WTP along with treated water collection tanks and	
and 580 mld capacity	pumping stations on 40 acre and 50 acre land parcels in	
	Amritsar and Ludhiana respectively; land to be procured	
	through a voluntary land transaction	
Transmission networks/	Network spread across cities; no additional land	
alignments from WTP to the OHT/	requirement as alignments to be along the roads from	
ESR sites	the WTPs to OHT/ESR sites	
57 OHSR/ESRs in Amritsar and 74	Approx. 200-256 square meters of land for constructing	
OHSR/ESRs in Ludhiana city	OHSR/ESR, pumping units/ instrumentations; available	
	public lands belonging to MCs and other govt agencies to	
	be used	

- 7. The process of land procurement through market based transaction has been initiated in both cities, with site selection committees constituted, advertisements placed in local newspapers inviting interested parties to sell their land, analysis of alternatives, identification of favourable sites based on the land requirements and proposals received. Based on available options and technical feasibility recommendations have been made to the administrative department for initiating price negotiations with willing sellers.
- 8. Land-related impacts likely to emerge from project investments are: 1) Direct impacts of LA on land owners, tenants, agricultural labourers, other non-owners dependent on the land being procured, 2) Impacts on adjoining land parcels/ communities owing to construction and operation of WTP during the construction and post construction phase, 3) Cumulative, city level impacts of transmission works on establishments/ communities /squatters and/or encroachers along alignment routes through temporary or permanent physical and/ or economic displacement, 4) Notional impacts on valuation of assets (residential and commercial structures) in cases where OHSRs/ ESRs are proposed within residential parks.
- 9. Since the implementing agencies have adopted the market mechanism for procuring private land required for setting up WTPs through a willing buyer- willing seller situation, they would need to fulfil all pre-conditions of World Bank Policy (ESS5) under which land transactions are considered voluntary. These are: a) All tenurial rights and claims to the land are

systematically and impartially identified; b) All potentially affected individuals, groups, communities are meaningfully consulted, informed of their rights and provided reliable information concerning environment, economic, social and food security related impacts; c) Stakeholders are enabled to negotiate a fair value for their land-assets; d) Appropriate compensation, benefit-sharing and grievance redress mechanisms are in place; e) terms of land purchase are transparent and are through legally recorded market transactions; f) Mechanisms are in place to monitor compliance with terms and conditions agreed between the parties and the seller has the choice to walk out of the negotiation if terms of negotiation are perceived as adversarial.

- 10. Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 follows many global good practices on land acquisition, resettlement and rehabilitation and is largely consistent with World Bank's standard (ESS5). However, there are certain gaps when compared to ESS5: (i) structure valuations are estimated as per prevailing State Scheduled Rates (SSR rates), and depreciated values for structures are paid which may not reflect its replacement cost; (ii) cut-off-date for non-titleholders to be eligible for assistance is three years preceding acquisition, and for titleholders it is the date of preliminary notification, while as per ESS5 for both title and non- title holders the cut off date is the day of notification or census; (iii) Act does not recognize non- titleholders (squatters/ encroachers) using public/government lands and hence no compensation is allowed, and (iv) the Act does not recognize the loss of valuation of assets as a result of project investments.
- 11. To address these gaps in LARR 2013 following additional measures are proposed for making them consistent with the World Bank Standards:
 - a) Consistent with Bank Standard, compensation to be paid at full replacement cost (undepreciated and including all associated transaction costs) to meet acceptable community standards of quality and safety.
 - b) To ensure that non- titleholders are adequately compensated, cut-off date for all will be the date of socio-economic survey and will also cover encroachers/ squatters using or living on government/ public lands along transmission alignments or around OHSR sites.
 - c) Ensure through community consultations that impact on assets valuations are properly assessed, alternative sites explored where severe adverse impacts are found.
- 12. Government of Punjab has not notified state rules to reflect the changes brought about by LARR, 2013. The main instrument governing state's policy on land acquisition is March 2000 amendment of Financial Commissioner's Standing Order No. 28 relating to Acquisition of Land and subsequent notifications (Gazette Notification No 24/109/2015-LR 1/9877 of August 2016), the key features of which are: a) recognizing that LA under 2013 Act is lengthy and time-consuming, the notification encourages departments to acquire land through negotiation, b) incorporates LARR recommended multipliers (and solatium) while estimating the value of land and assets and final compensation award, c) If land owners are not agreeable to proposed rates then as per section 108 of the Act matter is to be put-up to District Price Fixation Committee, d) If land has been acquired through private negotiation

then no other benefits under LARR 2013 are applicable, e) If negotiation does not work then land acquisition to be undertaken as per procedure mentioned in the 2013 Act, f) As per Section 21 of Standing Order, where private negotiation is proposed, preliminary notification under section 4 should be issued so that in event of failed negotiations the land can be acquired under the Land Acquisition Act without further delay.

- 13. To address gaps in the State Policy and to make them consistent with ESS5, following principles are proposed to be adopted under this framework:
 - a) Consistent with World Bank guidance, if a site has been identified for negotiated transaction, notification u/s 4 of LARR will not be issued for exercise of state eminent domain to acquire the land being negotiated.
 - b) If direct, private land negotiations between the state and seller fails, the latter will retain her/ his choice not to sell the land and the state will have to mandatorily look for alternate land parcels and not exercise its authority to acquire that piece of land under eminent domain.
 - c) Negotiation and acquisition for meeting the land requirements under the project will be treated as mutually exclusive approaches and one cannot be substituted by another at any time during the land procurement process.
 - d) The amount paid under voluntary transaction cannot be less than that under LARR 2013 (including compensation, R&R benefits, tax benefits, etc.) and should meet the requirements of compensating those adversely impacted at replacement cost.
- 14. Assets and entitlements recognized under this framework will include loss of land and livelihoods, loss of residential and commercial buildings, loss of structures, loss of crops and trees, losses to non-titleholders, temporary impacts on land, livelihood and other assets, loss to common property resources, additional rehabilitation measures required for vulnerable groups, devaluation of assets. Valuation of assets impacted will be based on fair assessment and will ensure that compensations are at replacement cost, consistent with ESS5.
- 15. All land-related impacts will be managed by the IAs (PMIDC/AMC/LMC) with support from the district administration. Since multiple agencies are involved (land owned by different agencies) IAs will have overall accountability for coordination, laying down LA procedures, disbursement of compensation, monitoring of implementation. The Project Director will be responsible for land procurement, coordination, compliance with procedures outlined by ESS5, LARR 2013 and state regulations. The Social Development Specialists at PIUs will be responsible for handling all resettlement and land related issues. This will include preparation of sub-project RAPs through meaningful stakeholder consultations, identification of PAFs/PAPs (including those differentially impacted), fair assessment of compensations, development of innovative strategies for livelihood restoration, apart from ensuring functionality and awareness about GRM set up for PAPs.
- 16. A dedicated GRM for PAPs will be developed complementing the available state-wide and departmental level GRMs, as per World Bank requirements. This will serve to invite grievances from PAPs and will have all elements of a responsive system like multiple options

- for filing grievance (online as well as offline/physical access methods), time-bound redress protocols based on nature/ complexity of complaints, hierarchical system of escalation from ward to city to the state, data accessibility to program managers for monitoring status of complaints.
- 17. All land related grievances will first come to site-office and concerned ward-level officials and will have a timeframe within which to address them. Un-addressed grievances will go to the PIU or MC based on the nature of complaint and unresolved complaints will escalate to the administrative department or PMIDC at the state level. Grievance Redress Committees (GRC) constituted at the city PIUs and PMU will look at complaints, talk to PAPs regarding their grievances, bring issues to attention of decision-makers for necessary action (inter-agency coordination, contractor management, adherence to land acquisition process agreed under the RAP, identification of PAPs, disbursement of compensation etc.).
- 18. GRC will periodically prepare and disclose reports on category-wise number of complaints received, cases satisfactorily resolved or unresolved steps taken to improve GRM related awareness and areas requiring attention of IAs. Apart from formal GRM, project stakeholders will also have space available under national and state level rights-based legislations like Right to Information Act 2005 and Punjab Right to Services Act 2011 to demand accountability or register their grievances.
- 19. Monitoring the preparation and implementation of RAP will be the responsibility of the PMU and the city based PIUs. The cities could individually assess the need for deploying a credible civil society organization or a government institution for supporting it in monitoring the process of consultation, conduct of surveys/ census, assessment of the scale of pan-city resettlement impacts, process for fixing compensations for land acquisition and resettlement.
- 20. The estimated resettlement budget for the project will be approximately Rs 89 crores, of which the direct land acquisition cost could be alone around Rs 77.5 crores, compensation for structures, assets, R&R, valuation losses could be about Rs 9 crores, with an additional Rs 1.6 crores provisioned for support organisations, RAP implementation, studies and hiring of consultants. As the full scale of impacts is unknown at this stage, this budget will be updated at a later stage once the scale and nature of impacts are known.
- 21. Once this draft RPF is approved and cleared by the World Bank it will be disclosed by the Borrower on its official website as well as those of the municipal corporations along with other safeguard documents for seeking comments and feedback. Executive summary of the approved RPF will be made available in Punjabi on these websites. Once finalized this RPF will be redisclosed on the Borrower and Bank website.

INTRODUCTION

BACKGROUND

The Government of Punjab (GoP) has taken a decision to make key municipal corporations, starting with Amritsar and Ludhiana, responsible for future asset creation and share capital expenditure for its growth. To improve the quality of water service delivery, cities need immediate capital investments and change in management practices. Key institutional actions to achieve this on the water sector side are a) WSS operations focusing on full operational cost recovery, b) increased ownership from the municipal corporation to WSS financing; and be responsible for service delivery and c) modern governance structure for WSS operations. Key actions on the ULB governance side require addressing the fundamental causes of infrastructure backlogs and service deficiencies, which are rooted in institutional gaps and lack of financial sustainability.

The Government of Punjab (GOP), in June 2018, through Government of India (GOI) Department of Economic Affairs (DEA), requested the World Bank for support to implement 24/7 continuous water supply projects in Amritsar and Ludhiana. With Technical Assistance (TA) from the World Bank pre-feasibility reports were prepared for both cities in 2015 and updated in 2019, which proposed the need to migrate from rapidly depleting and contaminated decentralized ground water sources to a centralized treated surface water source. The proposed project investment is expected to cost around US\$270 million, of which IBRD will finance 70 percent and GoP is 30 percent. The main components of the program are- Component 1: Strengthening urban and water supply service management, Component 2: Improving water supply infrastructure, and Component 3: Project management.

Requirement for a Resettlement Policy Framework

As specific sites and alignments are in the process of being identified, the overall land-related impacts based on the exact assessment of land requirements under the project and their potential effect on involuntary physical and economic resettlement is still to be determined. This requires the preparation of a Resettlement Policy Framework (RPF) to detail the measures, procedures and processes that need to be in place to inform the preparation of location and site-specific Resettlement Action Plans (RAPs) based on investments to be made through the World Bank support during the implementation phase of the project.

This RPF aims to frame the procedures and principles based on which all land-related social impacts will be measured and addressed using the risk mitigation hierarchy to avoid, minimize and mitigate any adverse social impacts arising out of interventions financed by the World Bank during the implementation of the project. It also describes the process to be adopted for undertaking socio-economic census, holding community and stakeholder consultations, profiling project impacted individuals and households, mapping vulnerabilities and likely impacts, processes for fixing eligibilities and compensations, providing forums to affected persons for airing their resettlement related grievances and prescribing other mitigation measures to manage those impacts. The RPF is consistent with the World Bank ESS5 standard on 'Land Acquisition, Restrictions on Land and Involuntary Resettlement' as well as applicable national and state policy related to land acquisition and involuntary resettlement, especially the National legislation on 'Right To Fair Compensation And Transparency In Land Acquisition, Rehabilitation And Resettlement Act, 2013', which provides the overarching country level framework guiding land acquisition and resettlement.

Wherever project investments will have land related social impacts, the implementing agencies will be responsible for the preparation of Resettlement Action Plans (RAPs) that will need to be approved by the World Bank prior to commencement of works, consistent with the guidelines included in the RPF. The project is also in the process of developing a separate Resettlement Action Plan for investments in Amritsar city, where project interventions and sites/ locations are relatively better known. The implementation agencies will be responsible to ensure that the RAPs developed for the city are consistent with the requirements spelt by this RPF and are disclosed upon finalization and approval.

This RPF lays down procedures and measures to ensure that there is adequate accountability and transparency in the process of assessing land related impacts and a fair process is in place for acquiring land and for compensating those adversely impacted at replacement cost as described in ESS5 so that they may be enabled to improve or at least restore their livelihoods and standards of living to pre-project levels.

Project Description: Punjab Municipal Services Improvement Project

Punjab's four largest Municipal Corporations (MCs)/ULBs appear to be not only engines of economic growth, but also host over half of the urban population in the State. However, MCs and other ULBs in Punjab face serious challenges in responding to urbanization and suffer from institutional and governance shortcomings, including: ambiguous expenditure assignment (e.g. parastatal agencies fulfill many local mandates); inadequate public finance management (PFM)

practices; inadequate resources and low transfers; poor management and low collection of own-source revenues; and poor strategic planning and management of infrastructure development. Substantial improvement on most of these fronts is required to enable cities responding to fast-growing needs for expanded and better services.

Water supply and sanitation (WSS) are State subjects in India, where typically, roles and responsibilities of different stakeholders are unclear and/or overlapping. State WSS Departments set policies on quality of service and cost recovery, supply grant funds to ULBs and act as regulators of the WSS services. While ULBs are responsible for WSS services as per the 74th Amendment Act 1992, infrastructure is often developed by State WSS Engineering Agencies and hands it over to ULBs who may or may not have the financial and technical capacity to manage them. Service Level Benchmarks (SLBs) show that coverage of house service connections average around 50 percent, non-revenue water at 33 percent and no city has continuous pressurized supplies. On average only 40 percent of operating costs are recovered from user fees. WSS operations in urban centers in Punjab are poor when compared to benchmarks; cost recovery is low; municipal corporations subsidize operating deficits while government finances capital expenditure; internal capacity, systems and procedures are weak.

Amritsar and Ludhiana Municipal Corporations currently supply ground water from over 800 tube wells in Amritsar and 1000 tube wells in Ludhiana. These tube wells are sometimes located close to drains and waste dumps; supply systems are decentralized with distribution lines connecting individual tube wells directly to nearby households, commercial establishments and other users, supplying water for over 10 hours a day and covering less than 5-15% of total supply area. A fixed tariff for water is charged; however, a large fraction of households are exempt. The current system is inefficient and allows for water wastage as households are not incentivized to save. As a result, cities experience over exploitation of ground water, excessive water supply at high cost, low cost recovery and high waste water generation.

Water quality is also a serious concern as 72% of samples tested by GoP's Department for Water Supply and Sanitation (DWSS) labs in Amritsar were found contaminated with Arsenic. In Ludhiana, DWSS tested water from 40 sources show that 30% samples are contaminated with arsenic, 14% with Selenium and 22% with nitrate. Since ground water exploitation started in the recent past, diseases form arsenic may take 5 to 20 years to appear and hence shifting to surface water is a priority for the GoP.

COMPONENT 1: STRENGTHENING URBAN AND WATER SUPPLY SERVICES MANAGEMENT: This component will strengthen the systems and capacities of Amritsar Municipal Corporation (MCA)

and Ludhiana Municipal Corporation (LMC) in a number of priority areas that enhance their capabilities in urban management and water supply service delivery.

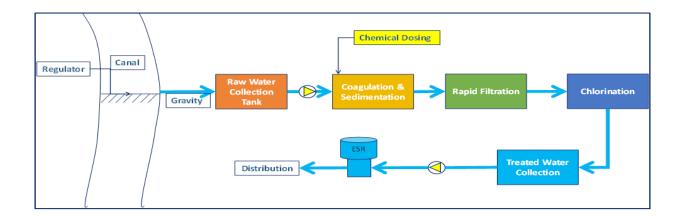
- **1. Sub-Component 1a: Strengthening water service management** This sub-component will support the following activities:
- (i) <u>Establishment of water and wastewater utilities in Amritsar and Ludhiana MCs</u>. Traditionally, Punjab Water Supply and Sewage Board (PWSSB) had been responsible for implementing all water supply projects; and also operating the water supply system in select cities. In case of Amritsar and Ludhiana, both MCs are managing water and waste water services. The corporations are able to recover only 20-30% of operating costs and rest is being cross-subsidized. The project scope will include setting up a professionally managed water utility; building systems including financial management; hiring staff and building capacity of staff. Each ULB will set up a fully owned WSS utility as a Company with technical and administrative powers for setting and collecting tariff, securing subsidies for full cost recovery. Further, GoP and ULBs will delegate all functional, financial and operational powers to the Board of the Utility Company.
- (ii) <u>Technical assistance to strengthen capacities of the WSS utilities</u> with respect to staffing, accountability, engineering, contract management, M&E, citizen outreach, billing and collection. Traditional constraints of public sector employment, such as lack incentives for performance; poor accountability; weak autonomy to execute job responsibilities; poor training and career development opportunities etc. apply to WSS function also. Under the project the following will be implemented to strengthen water services:
- Organizational structure and staffing: The project will provide technical assistance for executing a public-private partnership (PPP) in water supply management by entering into performance-based contracts with private operators for upgrading service levels and for operations and maintenance. The water company will have responsibilities for a) contract and performance management, b) long term planning of water and supply and sewage services, c) financial planning of WSS operations, d) customer feedback and interface and e) interface with statutory bodies. The company will have the freedom to recruit/contract a multi-disciplinary staff (including technical, financial, IT, customer service and safeguards).
- Accountability and transparency: WSS Standards will be published by the ULBs, based on the Service Level Benchmarks of GoI. The Board of Directors will develop a performance evaluation framework for the company based on WSS performance standards. ULBs may also link the subsidy provided to the company to performance standards. The company will customize and maintain online e-governance platform available in ULBs for customer grievance redressal and report status of citizen complaints to ULB regularly, conduct annual customer satisfaction survey and publish findings on ULB website. It will also publish periodic operational and performance reports on coverage, quality of service, billing and collection, financial performance, customer feedback etc.
- Revenue model and financial sustainability: The company will have two sources of revenue, a) User charges for water supply and sewage and b) subsidy from ULBs for water supply

and sewage. ULB will provide earmarked subsidies for WSS out of the GoP transfers to them and also pass on any WSS specific capital or revenue grant. Board of Directors will review the revenue requirements and recommend tariff structure and annual subsidy required. Further, ULB will authorize incremental block volumetric tariff for WSS with concessions for urban poor. ULBs share of GST collections received as Inter-Governmental Fiscal Transfers will be split and a portion transferred to WSS Company. This revision and setting of tariffs will be further supported following implementation of World Bank financed state-level Development Finance Framework (DPF) loan and its corresponding State-wide reform action on water tariff.

- 2. Sub-Component 1b: Strengthening urban governance and finance. This sub-component will strengthen the systems and capacities of AMC and LMC in several priority areas:
- i. <u>Own source revenue enhancement</u>: establishing norms, strengthening systems, improving capacities to strengthen local revenue collection
- ii. <u>Expenditure management and PFM improvements</u>: strengthening systems, reforming workflow rules and arrangements, improving capacities on planning, budgeting, budget execution, financial management, controls and audit functions.
- iii. Improve Asset Management and Capital Investment Planning (CIP) capabilities: The Punjab Municipal Corporation Act (GoP 1976) stipulates some fragments of asset management, such as ownership, acquisition and disposal of assets and liabilities but does not provide a legal framework for comprehensive asset management. Amritsar and Ludhiana MCs have limited experience with systems and procedures related to basic Asset Management (AM) or capital investment planning (CIP). Lack of detailed asset records, lack of complete and reliable asset registers hampers effective asset management. Strengthening capabilities to execute projects, developing and operationalizing capital investment planning and AM systems will improve AMC's and LMC's annual budgetary processes.
- iv. <u>Enhancing the efficiency of MC operations</u> through targeted e-governance measures. PMIDC has taken up an ambitious task to drive e-governance (m-seva) across ULBs in the state offering digital services ranging from web portals; ULB dashboards, WSS billing, collections; public grievance redressal; trade licenses; fire NOCs; human resource management; finance as part of the e-governance effort. However, adoption has been slow in large corporations such as Amritsar and Ludhiana where ULBs have their own e-governance modules. ULBs have requested customization of process of tax/charges collection through *m-seva* modules. The project will support AMC and LMC to migrate data, customize and build required capacity.
 - Strengthening capacity. ULBs face the challenge of availability of trained staff to handle their citizen service demands. At both ULBs (Amritsar and Ludhiana) only about 50% of sanctioned posts are filled. Though there are initiatives for increasing revenue collections, lack of dedicated staff is bringing up challenges. As both the ULBs move into m-seva domain, effective capacity building will be the single most factor contributing to successful implementation.

- GIS and Unique ID (UID) integration. AMC and LMC are aggressively pursuing UID integration along with physical plate installations in residences, with existing UIDs planned to be linked with the 10-digit m-seva unique property number. A common standard in implementation of GIS across water supply services, property taxation etc. is needed, considering the smart city needs of both ULBs. The Project will support AMC, LMC and PMIDC in the integration efforts.
- Adding modules to existing m-seva e-governance efforts. Along with property and water, there is a need to streamline trade license and advertising tax to enhance ULB revenues. Other modules such as Advertisement, Estate, asset management and works management will be considered under the project.
- 3. COMPONENT 2: IMPROVING WATER SUPPLY INFRASTRUCTURE The project will invest in a water treatment plant and core infrastructure (main clear water sump/tanks, transmission lines and overhead storage reservoirs (OHSRs) in both Amritsar and Ludhiana.
- (i) Overall Design and Scope: the strategy for improving the water services in Amritsar and Ludhiana is to switch to surface water and primarily draw from canals passing through the cities. The raw water drawn from these canals will be pumped to Water Treatment plants (WTP) constructed under the project. The treated water will be collected in clear water tanks within WTP premises and supplied through pumping to local service reservoirs connected via newly built bulk transmission network. The system would be constructed to deliver high per capita supply (over 150 lpcd) initially to and can remain supplying at a service level of 150 lpcd even for higher population growth rates up to the year 2055. The strategy is also to reduce consumer demand over time through appropriate tariffs to discourage wastage; implement good communication campaigns to change behaviour; and engage citizens on appropriate water use. Investments proposed under the project include raw water systems, water treatment, new service reservoirs and transmission of treated water to local reservoirs (new and old). The bulk treated water will be supplied via existing water distribution network which are currently very old but in usable condition. Hence, piped network replacement is not proposed within the scope of the project. The cities will use various sources of funding to replace old leaking pipes progressively starting from high density old city areas to low density recently developed areas.

Figure 1: Schematic design of Water Network Investments



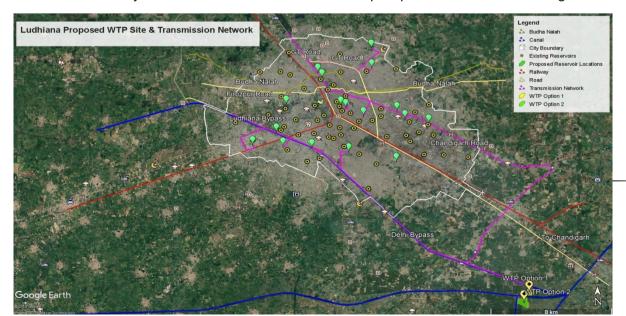
(ii) <u>Ludhiana City:</u>

Water Demand:_Although the city has experienced high population growth due to rapid industrialisation in this past, evidence indicates that this growth has been stable in the last 3-5 years and a good proportion of youth are said to be migrating out of Punjab. The water demand based on historical population projects are as listed below:

Estimated Future Population and Water Demand

Parameter	Unit	Ludhian
		а
Projected Population		
Population 2019	Lakhs	18.96
Population Base Year 2025	Lakhs	20.76
Population Intermediate Year 2040	Lakhs	25.14
Population Ultimate Year 2055	Lakhs	29.35
Raw Water Demand		
Base Year 2025	MLD	408
Intermediate Year 2040	MLD	495
Ultimate Year 2055	MLD	578
Treated Water Demand	MLD	
Base Year 2025	MLD	388
Intermediate Year 2040	MLD	470
Ultimate Year 2055	MLD	549

Source: The source of surface water supply will be Sirhind Canal which offtakes from Ropar Headworks on Sutlej River. The canal has an authorized capacity of 12620 cusecs and length of



59.44km with a cultivable command area of 13.59 lakh hectares. Expected abstraction of water allocation being requested is 300cusec. As such, the new water system will draw water from the Sirhind Canal (at the tail point). Sirhind is the main feeding canal to Sidwan canal close to the canal junction point where it splits into three branches located close to Rampur village.

Investments Proposed: A conventional water treatment plant of capacity 580mld (ultimate Demand of year 2055) is proposed on 50acres of land preferable close to the canal which has yet to be identified and acquired by LMC. The raw water tapping point is planned to be close to WTP which is designed to be a conventional treatment system comprising of aeration, coagulation, flocculation, sedimentation, rapid gravity filtration and chlorination for disinfection. However, since an operator is allowed to design, build and operate, it is likely that the system will use best and modern technologies. A total capacity of about 8200kw pumping systems are proposed for raw water and treated water pumping with full electronic controls to enable remote operations.

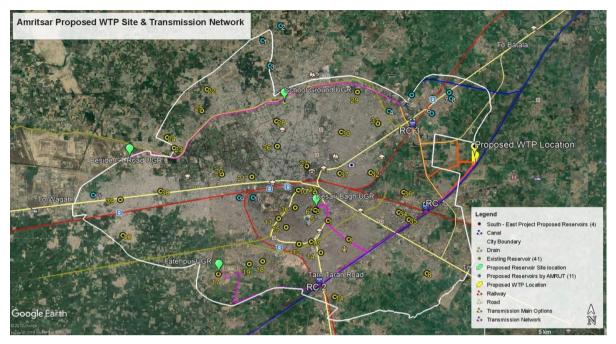
(iii) Amritsar City:

Water Demand:_The historical population of the city has been used to estimate the future population and following assumptions on service levels are considered in estimating the water demand.

Estimated Future Population and Water Demand

Parameter	Unit	Amritsar
Projected Population	lakhs	
Population 2019	Lakhs	13.15
Population Base Year 2025	Lakhs	14.51
Population Intermediate Year 2040	Lakhs	18.15
Population Ultimate Year 2055	Lakhs	22.11
Raw Water Demand	MLD	
Base Year 2025	MLD	304
Intermediate Year 2040	MLD	375
Ultimate Year 2055	MLD	454
Treated Water Demand	MLD	
Base Year 2025	MLD	289
Intermediate Year 2040	MLD	356
Ultimate Year 2055	MLD	431

Source: Upper Bari Doab Canal (UBDC) which has a cultivable command area of 5.73 lakh hectares and capacity of 11,200 cusecs, is proposed as the source. The irrigation department has provided a No Objection Certificate (NOC) to abstract a continuous supply of 200 cusecs of raw water from UBDC canal near Vallah village for this project. The UBDC system was remodelled during 2001-2005, to ensure full utilization of stored waters of river Ravi, as a result of commissioning of Ranjit Sagar Dam in the year 2000. The UBDC presently, has an authorized



discharge of 9000 cusecs.

Investments Proposed: A water treatment plant of 431mld is proposed at a 40acre land identified by the city and close to the UBDC canal. The plant is proposed with conventional treatment system comprising of aeration, coagulation, flocculation, sedimentation, rapid gravity filtration and chlorination for disinfection. However, since an operator is allowed to design, build and operate, it is likely that the system will use best and modern technologies. A total capacity of about 6000kw pumping systems are proposed for raw water and treated water pumping.

• COMPONENT 3: PROJECT MANAGEMENT This component will support various project management activities related to operations of Project Management Unit, Project Implementation Units in the two MCs, including their project coordination and supervision, safeguards and fiduciary support and monitoring, M&E, communications and outreach, capacity building; communications and outreach activities covering key stakeholders, TA to strengthen social, environmental and fiduciary management in the two MCs.

Estimated Land Requirements under the Project and its Management

Under the PMSIP, major civil infrastructure works are related to the construction of large City level WTPs, laying down of bulk transmission networks from the Water treatment plants to the local service reservoirs and construction of additional OHSRs/ ESRs to meet the demands of new/ existing areas and universalise water supply to the entire city. Based on the planned investments, following are the estimates on the land requirements under the project and type of land required or available.

Assets proposed to	Land requirement	Availability and	Remarks
be created		nature of ownership	
Raw water Storage cum pre-settling tank in Amritsar- <u>Optional</u>	As per technical assessment no additional land needs to be acquired for the purpose. To be located within the WTP premises ¹	Purchase of private land being negotiated through a voluntary market transaction	It is an optional asset and may be created based on detailed engineering design developed by the Contractor.
Raw water Storage cum pre-settling tank in Ludhiana- <u>Optional</u>	As per technical assessment, land adjacent to Canal to be secured from irrigation department ² Estimates not known at this stage	Transfer of land from Irrigation department to Department of Local Government, Government of Punjab	To be governed by Section 6 of Standing Order No 28 on Land Acquisition of Department of Revenue, GoP. Section 6-Transfer of land already in possession of one department to another department of the State Government.
Water Treatment	Approximately 40	Site identified for	Site belongs to
Plants of 431 mld	acres of land close to	purchase of 40 acre	multiple land owners
capacity along with treated water collection tanks and	the canal	parcel from multiple private land owners. Administrative	belonging to the same extended family.

¹ Water Supply Improvements In Amritsar Municipal Corporation: Final Report Volume – I: A raw water collection cum pre-settling tank is proposed with 2 days storage capacity. Although it is difficult to accommodate the collection tank within the proposed 40acre land, but it is suggested the canal reach upstream of the extraction point also can be utilized for this purpose with proper proactive planning of canal maintenance.

² Water Supply Improvements In Ludhiana Municipal Corporation: Final Report Volume – I A raw water collection cum pre-settling tank is proposed with 2 days storage capacity. Although it is difficult to accommodate the collection tank within the proposed 50acre land, but it is suggested the canal reach upstream of the extraction point also can be utilized for this purpose with proper proactive planning of canal maintenance.

Assets proposed to	Land requirement	Availability and	Remarks
pumping stations in Amritsar Water Treatment Plants of 580 mld capacity along with treated water collection tanks and pumping stations in Ludhiana	Approximately 50 acres of land close to the canal	approval received and Land Acquisition Collector appointed for fixing price band as per LARR 2013 and initiating negotiation. Negotiation with the land owners expected to be completed by 20 th March 2020 Land parcels identified for purchase from private landowners with recommendations on most appropriate site provided by Site Selection Committee. GoP has given	
		approval to acquire land through negotiation vide memo no. 14/07/2020-5LG1/275 dated 10-02-2020. Negotiation with land owners to begin shortly	
Transmission Networks/ Alignments from WTP to the OHT/ESR sites across Amritsar city	No additional land requirement for transmission lines. Alignments/ RoW to be along the roads from the WTPs to the ESR sites spread across the city	Alignments to follow the village roads, state and national highways and municipal roads.	engineering design provided by the DBOT contractor. A city specific subproject RAP including socio—economic census survey and consultations along alignment route required to assess nature and scale of impacts.
Transmission Networks/ Alignments from WTP	No additional land requirement for transmission lines.	Alignments to follow the village roads, state and national	Alignment routes still to be finalized. Exact alignment to be based

Assets proposed to be created	Land requirement	Availability and nature of ownership	Remarks
to the OHT/ESR sites across Ludhiana city	Alignments/ RoW to be along the roads from the WTPs to the ESR sites spread across the city	highways and municipal roads.	on detailed engineering design provided by the DBOT contractor. Post finalization city specific RAP including with consultations, socio—economic survey and census along alignment route required to assess scale of impacts and compensations/entitlements
57 OHSR/ESRs at different locations in Amritsar city	Requirement of approximately 200-256 square meters of land for construction of OHSR/ESR and accompanying pumping units/instrumentations	Use of available public lands (belonging to Amritsar Municipal Corporation) in different locations across the city, including sites adjacent to existing utilities of AMC/ land available with other public agencies like District Urban Development Agency-DUDA, City Development Authorities and land available within existing institutions (Government schools/hospitals / municipal parks inside residential colonies)	Clarity may be required before preparation of RAP needed on whether land needs to be transferred to MC for public lands owned by other agencies. No provision in Standing Oder No 28 on Land Acquisition on transfer of land within agencies of a department.
74 OHSR/ESRs at different locations in Ludhiana city	Requirement of approximately 200-256 square meters of land for construction of OHSR/ESR and accompanying pumping units/instrumentations	Use of available public lands (belonging to Ludhiana Municipal Corporation) in different locations, including sites adjacent to existing utilities of municipal corporations/ land	Clarity may be required before preparation of RAP needed on whether land needs to be transferred to MC for public lands owned by other agencies. No provision under

Assets proposed to	Land requirement	Availability and	Remarks
be created		nature of ownership	
		available with other	state's Standing Oder
		public agencies like	No 28 on Land
		District Urban	Acquisition on inter-
		Development Agency-	agency transfer of
		DUDA, City	land within a
		Development	department.
		Authorities and land	
		available within	
		existing institutions	
		(Government school/	
		hospitals / municipal	
		parks inside	
		residential colonies)	

Potential Land Related Impacts of the Project

The Project will require land for setting up large Water Treatment Plants close to reliable water sources and since government/ public land parcels are unavailable in desired locations, the IA will either have to acquire land or explore purchase of land from private land owners at market rate as per the national policy and in compliance with the World Bank E&S Standards. Following are the likely land related impacts emerging from project investments, which will need to be assessed in greater detail during preparation of sub-project RAPs:

- 1. Downstream of canal intake points economic impact due to reduced allocation for irrigation, fishing and other activities
- 2. Direct impacts of the LA on the land owners, tenants, agricultural labourers, other non-owners dependent on the land being procured.
- 3. Impacts on adjoining land parcels/ communities owing to construction and operation of WTP during the construction and post construction phase.
- 4. Distribution alignments are planned along village roads, state/ national highway and municipal roads and though they may not require additional land /RoW, there are likely to be significant, cumulative, city level impacts of transmission works on establishments/ communities /squatters and/or encroachers along alignment routes through temporary or permanent physical and/ or economic displacement.
- 5. Construction of reservoirs, storage tanks located in the city on available public lands/ residential parks/ public institutions is also likely to have notional impact on the valuation of assets, especially in cases where OHSRs/ ESRs are proposed to be constructed inside residential parks.
- **6.** Alignments and demolitions planned at some locations to replace existing dysfunctional OHSRs may cause damage to roads, nearby buildings/ facilities, etc.

Land transfer through a Voluntary Market Based Transaction

The implementing agencies (PMIDC, AMC and LMC) have decided to adopt the market mechanism for procuring the private land required for setting up WTPs through a voluntary, willing buyer- willing seller situation, which ensures that the seller is duly compensated for the loss of her/ his land and assets based on prevailing market prices.

As per World Bank Policy (ESS5) land transactions are considered voluntary only when the **seller** has the right to refuse the transaction and retain her/ his land, and the state does not exercise its authority to acquire that piece of land under eminent domain if the negotiations don't lead to a mutually satisfying transaction. Land transactions are considered voluntary only if they fulfill the following conditions:

- 1. All tenurial rights and claims to the land are systematically and impartially identified
- 2. All potentially affected individuals, groups, communities are meaningfully consulted, informed of their rights and provided reliable information concerning environment, economic, social and food security related impacts of the proposed investment
- 3. Community stakeholders are enabled to negotiate a fair value for their land-assets and appropriate/ pre-project conditions
- 4. Appropriate compensation, benefit-sharing and grievance redress mechanisms are put in place
- 5. Terms and conditions of the land purchase are transparent and are through legally recorded market transactions
- 6. Mechanisms are in place to monitor compliance with the terms and conditions agreed between the parties and the seller has the liberty to walk out of the negotiation if the terms of negotiation are perceived as adversarial.

Provisions of ESS5 related to Voluntary Land Transactions

- A. Parties involved in the LA process need to ensure full documentation of available rights and choices offered to the seller, adopt a transparent process for negotiation and settlement based on fair value and applicable conditions and there is full public disclosure of the process of land transfer negotiated, agreed and executed with the seller/s.
- B. If land parcel proposed to be acquired is a substantial proportion of total holding rendering remaining land portion unviable, then, if the seller wants, the entire land parcel may have to be bought even if it is beyond the project requirements.
- C. If multiple agencies are involved in implementation, the borrower is responsible for their coordination, laying down the process of LA as per policy, planning and disbursement of compensations, regular monitoring. The overall accountability for the LA/ RR process and its outcomes wrests with the Borrower.
- D. Like in case of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR 2013) under ESS5 land also includes all assets, structures connected to the land in question-trees, standing crops, buildings,

temporary or permanent dwelling units, pump-houses, cattle-sheds, etc and need to be duly compensated, whatever the process adopted for acquisition of land.

Alternatives Considered for WTP Site Selection and Current Status

Amritsar City:

Govt of Punjab through Punjab Municipal Infrastructure Development Company (PMIDC) issued notification vide letter no PMIDC/GM(P)/2019/8136-40 dated 21.09.2019 (copy attached) to constitute a Site Selection Committee for selection of site for acquisition of land for WTP for Canal based water supply project. Advertisements (copy attached) were published in the leading local and national newspapers to identify the interested sellers. The following site options were considered for WTP by the city authorities:

- Option 1 WTP at 40 Khu with off take at Taronwali Head Regulator
- Option 2 WTP at 40 Khu with off take at Near Vallah bypass over bridge
- Option 3 40 Khu & Near Chattiwind Regulator with off take at One near Vallah bypass over bridge & other at Chattiwind head regulator
- Option 4 Near Taronwali Regulator on Irrigation Land with off take at Tarowali Head Regulator

The city authorities identified two sites one on eastern and another on the western bank of the Upper Bari Doab Canal (UBDC) near Vallah village. The technical assessment found the situation of WTP on eastern side of the UBDC to be more appropriate for (i) ease of installing pumping and transmission mains towards the city without the necessity of canal crossing; (ii) orientation of site is more convenient for setting out the water treatment and pumping plants and (iii) any future augmentation or laying of additional mains would be relatively easy and less complex compared to situating it on the Western side.

Based on the technical recommendations received on the ideal location, 2 applications were received from interested landowners, from among which the present site appropriate for WTP has been identified. Land Acquisition Collector has been appointed by the Local Government and the process of negotiation with the land owners has been initiated and is expected to be completed in March 2020.

Ludhiana City:

Govt of Punjab through Punjab Municipal Infrastructure Development Company (PMIDC) issued notification vide letter no PMIDC/GM(P)/2019/8136-40 dated 21.09.2019 (copy attached) to constitute a Site Selection Committee for selection of site for acquisition of land for WTP for Canal based water supply project. The committee was formed under the chairmanship of The Deputy Commissioner (Ludhiana District).

The committee held its first meeting on 04.10.2019 wherein the availability of land parcels under Govt ownership were deliberated. The committee was apprized that the likely source of raw water for the canal based water supply project would be Sidhwan canal and therefore, the first preference shall be given to available land within the reach from Manpur Head Woks to Jhamat Bridge. The committee was apprized that as such land parcels of required area (45-50 acre) are not available with any of Govt Department; therefore, the land needs to be acquired from some private owner. Subsequent to above, advertisement (copy attached) were published in the leading local and national newspapers to identify the interested sellers within the identified reach.

On the set deadline owners at the following three sites expressed their willingness:

- Option 1 Bilaspur Village (Bhatinda branch)- needs cross regulator, RoW available towards the city
- Option 2 Bowani Village (Combined breach)- doesn't need cross regulator, RoW available towards the city
- Option 3 Rampur Village (Sirhind Canal) needs cross regulator, RoW available towards the city

In the meeting held on 29.10.2019, the Site Selection Committee was apprized that the above land parcels were found to be feasible for the WTP. The committee suggested to grade the land parcels as per availability of water, price of land etc. The Committee further directed the SDMs to conduct *Munadi* (customary announcements) in nearby villages for inviting more expression of interest for land to identify if there are any more interested sellers for land.

The next Committee meeting was held on 11.12.2019. The Committee was apprized that no new expressions of interest had come for giving land for the project. After detailed deliberations, the committee ranked the identified land parcels and sent the same to Department of Local Government, Punjab for further necessary action with a request to appoint a Land Acquisition Collector to undertake the acquisition proceedings. Based on the assessment of prices and water availability, the following preferences were recommended:

- Preference 1- Rampur village: Price demanded is lowest and closest to the chant rate (expected price /chant rate =2.1); there is maximum availability of water from Sirhind Canal; cross regulators can be constructed; water from the site can be transmitted to the entire city.
- Preference 2- Bowani Village: price demanded is second closest to the chant rate (expected price /chant rate =10); water availability next best to Sirhind Canal; cross regulator already exists; water from the site can be transmitted to the entire city.
- Preference 3- Bilaspur Village: price demanded is highest (expected price /chant rate =11); water availability is least and requires cross- regulator.

The Govt of Punjab has given approval to acquire land through negotiation vide memo no 14/07/2020-5LG1/275 dated 10-02-2020. The land will be acquired through process of negotiation by land purchase committee and shall be completed within 1.5 to 2 months. The Deputy Commissioner Ludhiana has been requested to get the rates fixed for the land identified for further perusal of case with Local Government Punjab.

Applicable National -State Legal -Regulatory Framework and World Bank Standards

Scope of World Bank Standard ESS5 on Land Acquisition and Involuntary Resettlement

The World Bank Standard ESS5 on Land Acquisition, Restrictions on Land and Involuntary Resettlement recognizes the adverse social impacts of permanent as well as temporary physical and economic displacement resulting from land acquisition and restrictions on land use imposed as a result of the project investments. These are:

- Acquisition of Land rights or restrictions on land use rights through expropriation or other compulsory procedures in accordance with prevailing national laws;
- Acquisition of Land rights or restrictions on land use rights through negotiated settlements with property owners or those with legal rights to the land, if failure to reach a mutually amicable settlement would have resulted in expropriation or other compulsory measures.
- Restrictions on land use or on access to natural resources/common property that may
 cause a community to lose traditional/ customary access to resources, or recognizable
 usufruct rights, especially in protected areas, national parks, biodiversity hotspots, ecosensitive zones impacted by the project;
- Project induced acquisition of land or restricted land use that may lead to the relocation of people without formal, traditional, or recognizable usage rights, who are occupying or using land and related resources prior to cut-off date;
- Economic displacement of people due to project impacts that render their land unusable or inaccessible;
- Restriction imposed on access to resources impacting livelihoods including common property and natural resources such as marine and aquatic resources, timber and nontimber forest products, fresh water, medicinal plants, traditional hunting and gathering grounds and pastures;
- Land rights or land use rights relinquished by individuals or communities without full payment of compensation; and
- Land acquisition or land use restrictions imposed in anticipation of the project as part of preparation.

Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

The 2013 Act includes many global good practices on land acquisition, resettlement and rehabilitation which include:

a) mandatory social assessments to determine whether the acquisition serves a public purpose or not;

- b) requirement to ascertain and justify the minimum land requirements for the purpose for which land is being acquired
- c) assessment of the impact of land acquisition on life, livelihoods, public infrastructure, common properties, customary rights and community assets of impacted communities
- d) identification of steps to minimize any adverse or negative impacts of the acquisition;
- e) undertake a social and economic cost-benefit analysis of land acquisition for assurance that benefits outweigh costs
- f) livelihoods support for affected persons, including compensation and support for permanent or temporary relocation using realistic compensation fixing methods
- g) detailed census of affected families to map their socio-economic profile, potential losses or adverse impacts on livelihoods and/or public –community and individual assets
- h) special provisions for disadvantaged and vulnerable categories of project affected persons/ households; mandatory requirement for settlement of compensation and assistance for affected persons before actual land acquisition;
- i) mechanisms for consultations, grievance redress and full information disclosure.

Consistent with World Bank's standard (ESS5), all compensation and assistance under the Act must be paid prior to acquisition of the assets. However, there are certain gaps when compared to ESS5: (i) structure valuations are estimated as per the prevailing State Scheduled Rates (SSR rates), and depreciated values for structures are paid to affected people which may not reflect the actual replacement cost of the asset; (ii) cut-off-date for non-titleholders to be eligible for assistance under the 2013 Act is three years preceding acquisition, and for the titleholders it is the date of preliminary notification, while as per ESS5 eligibility criteria for both title and non-title holders it is the date of notification or census; (iii) Act does not recognize non- titleholders (squatters/ encroachers) using public/government lands and hence no compensation is allowed, while the Bank recognizes the right of non- title holders to be compensated and (iv) the Act does not recognize the loss of valuation of assets as a result of project investments.

To address these gaps in the National Act, which provides the overarching framework for LA in the country, following measures will be adopted:

- d) Consistent with the Bank Standard, compensation to be paid to project impacted will be at full replacement cost (un-depreciated and including all associated transaction costs) to enable them to purchase or construction assets that meet acceptable community standards of quality and safety.
- e) To ensure that non- titleholders are adequately compensated, cut-off date for them will be the date of the socio-economic census survey in the impacted area. This will also cover non- titleholders using or living on government/ public lands (encroachers/ squatters) along the transmission alignment/ OHSR sites.

f) Ensure through community consultations that impacts on assets valuations are properly assessed, alternative sites explored where adverse impacts are found, in order to avoid or minimize such losses.

State Policy on Land Acquisition- Key Features

The Government of Punjab has not notified state rules to reflect the changes brought about by LARR, 2013. The main (and latest) instrument governing state's policy on land acquisition is the March 2000 amendment of Financial Commissioner's Standing Order No. 28 relating to Acquisition of Land, which draws strength from the Land Acquisition Act of 1894. Some amendments have been made to the existing state policy made through notifications to reflect changes brought about by LARR. Some relevant notifications are:

Gazette Notification No 24/109/2015-LR 1/9877 of August 2016:

- Recognising that procedure of LA under the 2013 Act is lengthy, costly and time-consuming
 the notification encourages departments/ government undertaking to acquire land directly
 from land owners through negotiation and submit their proposal to deputy commissionerconsistent with the 2013 Act.
- Value of land will be determined by the Deputy Commissioner keeping the LARR recommended multiplier factor into consideration and if there are any crops/ trees/ other assets on the land, its cost will be decided by the concerned department- <u>consistent with the</u> 2013 Act and ESS5
- Final price of the land will be decided with the addition of 100% solatium (Section 30) on the compensation award. After fixing the compensation award consent of the landowners will be required as per fixed rate (circle rate, collector rate, market rate). Government will also have to pay an interest of 12 per cent till the time full payment is made and sale deed is executed should there be a delay in settlement of compensation- consistent with LARR 2013 and ESS5 principle of ensuring compensation at replacement cost
- If the land owners are not agreeable to the proposed rates then guidelines (No. 24/85/15-L.R.1/18361-88, dated 6-11-2015) as per section 108 of the Act will be followed and the issue will be put-up to the District Price Fixation Committee- consistent with the 2013 Act and ESS5 on retaining sellers choice to sell based on agreeable terms
- If compensation award is agreed upon by all parties then as per paragraph (2) of LARR 2013, the administrative department will be authorized to take decision: a) if additional premium of up to 10% has to be provided the department will consult the finance department; b) if a premium of up to 25% is to be given permission from council of ministers will be required-consistent with the 2013 Act and ESS5 principle of ensuring adequate compensation
- If land has been acquired through private negotiation then no benefits under LARR 2013 will be applicable- <u>consistent with LARR 2013 and ESS5</u>
- If negotiation does not work then land acquisition as per procedure mentioned in the 2013 Act will be initiated- <u>inconsistent with the ESS5 guidance on voluntary land transaction which allows seller the right to refuse transaction and retain her/ his land and assures that the state</u>

would not exercise its authority to acquire that piece of land under eminent domain if private/direct negotiation does not lead to a mutually satisfying transaction.

Notifications in 2015-2018

- As required under Section 23(1) of LARR 2013, all Sub Divisional Magistrates in the state are appointed Administrator Resettlement and Rehabilitation for execution and monitoring of R&R schemes in the state- consistent with the 2013 Act
- Notification of state based institutions as the State SIA Authority under Section 4 (6) of the Act and to be responsible for getting SIAs conducted and SIMPs prepared- consistent with the 2013 Act
- Notification constituting a State Monitoring Committee for the Act headed by Chief Secretary
 of the state- consistent with the 2013 Act and ESS5

GoP Standing Order No. 28 on Acquisition of Land, 2000

- The Order recognizes the need to strike a balance, while acquiring land, to ensure that land is
 made available for public purposes and at the same time farmers are adequately
 compensated and rehabilitated.
- It states that land should normally be acquired through negotiations. Compulsory acquisition may be done only for public purpose after paying adequate compensation at market value and providing for rehabilitation of landowners.
- To make the process of land acquisition transparent, market value of the land shall be determined within a period of 3 months from the date of issue of notification u/s 4 of the 1894 Act and shall be incorporated in the declaration/notification to be issued u/s 6 of the Act.
- Compensation award should be based on market value of land being acquired. The District level Committee should take into account the actual market rates prevailing in the area and then make recommendations.
- An additional "no litigation premium" would be provided on determined market value of land
 in case of compulsory acquisition @ 10% of this value. This will encourage better compliance
 and cut delay on land acquisition due to court interventions. An attempt should also be made
 to have a negotiated settlement with the land owners, before the rates are recommended by
 District level Committee to the Government.
- It may, however, be kept in view that private negotiations may turn out to be cheaper in the long run, as there would be a saving of solatium and interest (unless payment is heavily delayed) as also litigation costs. There is no bar for such negotiation at any stage of the proceedings in compulsory acquisition. This however is inconsistent with World Bank's definition of a Voluntary Land Transaction.
- Transfer of land already in possession of one department to another department: The
 department for which land is required should, after consulting the department in possession
 of land and ascertaining whether there is any objection to the transfer, apply to Revenue
 Department for necessary transfer. Orders for transfer are passed by Financial Commissioner,

- Revenue if there is no difference of opinion. In case of difference of opinion the matter would be taken to the Council of Ministers.
- Constitution of State Level Land Acquisition Board (SLLAB) headed by Financial Commissioner, Revenue and with representation from Agriculture Department, Town and Country Planning P.W.D., Finance, Irrigation and Drainage, Housing and Urban Development, Local Government, Director Land Records, Deputy Commissioner of concerned district as members.
- For each proposal of Land Acquisition, Deputy Commissioner shall consult the Chief Agricultural Officer, Divisional Town Planner, Superintending Engineers P.W.D. (Buildings and Roads), Superintending Engineer (Drainage), Superintending Engineer (Irrigation), Superintending Engineer(Public Health) and also make such inquiry that;
 - > Area proposed to be acquired is the minimum required for the scheme.
 - Acquiring department does not have surplus unutilized land available within the district which can be used for the purpose.
 - No other Government land is available in the district which can be appropriately used for the purpose.
 - ➤ No genuine religious place of worship, shrine, tomb, graveyard, Waqf or, any immovable property attached to any such institution, the boundaries of which are contiguous to the site of the same is being acquired.
 - ➤ If so, the acquiring department has consulted at least four elected representatives of the community concerned before taking action.
 - > The cultivated land particularly irrigated land and orchards are acquired only to the extent absolutely necessary.
 - ➤ No surplus area declared under the land reforms legislation is being acquired unless it is absolutely necessary.
 - The area owned by small landowners (owing less than 5 acres) is acquired only to the minimum extent necessary.
- Constitution of a District Land Price Fixation Committee (DLPFC) for determination of market price of land at the District level headed by the Deputy Commissioner with representation from the MP, MLAs of the area, elected representative of different Panchayat tiers (rural), representatives of urban local bodies (urban), revenue officers and SDM of the area. The DLPFC will be provided all data on sale transactions in the area during one year preceding the notification under section 4 of the Act, including average rate per acre of various kinds of lands to arrive at fair market price.
- For the valuation of fixtures/structures, trees etc. the Land Acquisition Collector shall obtain report from competent technical officers regarding exact number and valuation of structures, trees, wells, tubewells etc. on the land to be acquired and shall consult competent technical officers to arrive at the valuation. To add to the reliability of this data cataloguing /video filming/photography of important structures, fixtures, afforested area or cluster of valuable trees/fruit bearing trees may be resorted to in the presence of a representative of the department and an Executive Magistrate immediately after the notification under section 4 of the Act.

- As per section 21 of the Standing Order even where land is proposed to be acquired by private negotiations, it is desirable that preliminary notification under section 4 is issued so that in the event of failure of negotiations the land can be acquired under the Land Acquisition Act without further delay. This is against the ESS5 on Voluntary Land Transaction.
- Procedure in the acquiring Department- The department shall consider objections, if any, that may have been received under Section 5-A of the Act unless urgency provisions have been invoked. Before issue of declaration the department should satisfy itself that a realistic estimate of compensation for the land proposed has been made in consultation with Deputy Commissioner and adequate provision is made in the budget for its payment.

Measures for Addressing Inadequacies of State Policy

To address these gaps in the State Policy and to make them consistent with ESS5, following principles will be adopted through this framework:

- e) Consistent with the World Bank guidance on Voluntary land transaction, if a site has been identified for negotiated transaction, notification u/s 4 of the Act will not be issued for exercise of state's power under eminent domain to acquire the land being negotiated.
- f) If direct, private land negotiations between the state and seller fails, the seller will retain her/ his choice not to sell the land and the state will have to mandatorily look for alternate land parcels and not exercise its authority to acquire that piece of land under eminent domain.
- g) Negotiation and acquisition for meeting the land requirements under the project will be treated as mutually exclusive approaches and one cannot be substituted by another at any time during the land procurement process.
- h) The amount paid under voluntary transaction cannot be less than that under LARR 2013 (including compensation, R&R benefits, tax benefits, etc.) and should meet the requirements of compensating those adversely impacted at replacement cost.

In the event of any conflict or inconsistency between the provisions of LARR Act 2013, State Policy on LA, Standing Order of GoP, this RPF and the provisions of World Bank's ESF, the provisions of the ESS5 under ESF 2016 shall prevail.

Entitlement Matrix and Procedures for Valuation of Structures

Definitions

In this Resettlement Policy Framework, following terms shall mean as described below, unless the context requires otherwise.

• Affected family: As defined in RFCTLARR Act 2013 and also as identified by the census and socio-economic survey carried out for the project.

- Agricultural Land: land used for: (i) agriculture or horticulture; (ii) dairy farming, poultry farming, pisciculture, sericulture, breeding of livestock or nursery growing medicinal herbs; (iii) raising of crops, trees, grass or garden produce; and (iv) land used for grazing of cattle.
- Agricultural labourer: means a person primarily resident in the affected area for a period of
 not less than five years immediately before the declaration of the affected area, who does
 not hold any land in the affected area but who earns his livelihood mainly by manual labour
 on agricultural land therein immediately before such declaration and who has been deprived
 of his livelihood;
- Assistance: All support mechanisms such as monetary help (R&R assistances), services, trainings or assets given to Project Affected Persons/Project Affected Families constitute assistance in this project.
- Below poverty line (BPL) or BPL family: means below poverty line families as defined by the Planning Commission of India, from time to time and those included in the BPL list for the time-being in force;
- **Commissioner** means the Commissioner for Rehabilitation and Resettlement appointed under sub-section (*I*) of section 44 of RFCTLARR Act 2013;
- Compensation: Compensation refers to: i) amount negotiated with the land owner based on the private negotiations method (under Standing order No 28); ii) restitution made to property under Sec 26-30 as per provisions laid down in RFCTLARR Act 2013;
- Corridor of impact (COI): Refers to the minimum land width required for construction including facilities and features such as approach roads, drains, utility ducts and lines, fences, green belts, safety zone, working spaces etc. Additional land width would be acquired/purchased or taken on temporary lease if the Corridor of Impact extends beyond the available/existing Right of Way;
- **Cut-off Date:** For title holders, date of first notification Section 4 (1) under LA Act 2013 will be treated as the cut-off date, and for non-titleholders the start date of census survey for the sub-project will be its cut-off date. In case of land acquisition through private negotiations, cut-off date will be the first date of notification for Title holders. In case of possible changes in transmission alignments and their resultant impacts, implementing agencies may establish separate cut-off dates for different sections along the alignment.
- **Displaced family** means any family, who on account of acquisition of land has to be relocated and resettled from the affected area to the resettlement area;
- **Encroacher:** Any person illegally occupying public property by extending their land boundary or a portion of their building onto the existing government land or RoW is an encroacher.
- Entitled Person (EP): Entitled Person includes all those who qualify for, or are entitled to, compensation / assistance since being impacted by the project. The basis for identification of Entitled Persons (EP) in the project will be the cut-off date (for NTH) and first notification for land acquisition (for TH).
- Kiosk: A kiosk is a booth/stall/cabin/cubicle made of wood or iron or any other building
 material which could be shifted to another location as a single unit without much damage
 and is used for carrying out petty business/ commercial activities and has been in
 operation/existence prior to cut off date;

- Landowner: A person who is an allottee or a grantee of any land under any scheme of the Government under which such allotment or grant is to mature into ownership, who has mortgaged his land (or any portion thereof) or who has permanent rights and interest in land;
- Landless agricultural labourer: A person who does not hold any agricultural land and who has been deriving his main income by working on the lands of others as subtenant or as an agricultural labourer prior to the cut off date.
- Non-agricultural labourer: means a person who is not an agricultural labourer but is primarily
 residing in the affected area for a period of not less than five years immediately before the
 declaration of the affected area and who does not hold any land under the affected area but
 who earns his livelihood mainly by manual labour or as a rural artisan immediately before
 such declaration and who has been deprived of earning his livelihood mainly by manual
 labour or as such artisan in the affected area;
- Major Impact: PAPs suffering the following impacts and requiring relocating are categorized as Major Impacted: (i) loss of place of dwelling, (ii) loss of place of business; (iii) loss of livelihood; (iv) loss of agricultural productive land of marginal farmers; those who become marginal farmers or landless after acquisition;
- Marginal Farmer: A cultivator with an un-irrigated land holding up to one hectare or irrigated land holding up to one-half hectare;
- Market value means the value of land determined in accordance with section 26 of RFCLARR Act 2013:
- **Minor Impact:** A PAP suffering minor impact is one who is affected to a lesser degree than the major impacts defined above.
- Minimum Wages means the minimum wage of a person for his/her services/labor by type of trade per day as notified by Department of Labor of the state.
- Non-Perennial Crop: Any plant species, either grown naturally or through cultivation that lives for a season and perishes with harvesting of its yields has been considered as a nonperennial crop in the project.
- **Non-titleholder:** Affected persons/families/ households with no legal title to the land, structures and other assets adversely affected by the project. Non-titleholders include encroachers, squatters, etc.;
- **Notification:** means a notification published in the Ordinary or Extraordinary Gazette of Government of Punjab;
- Project Displaced Person (PDP): Any tenure holder, tenant, Government lessee or owner of
 other property, or non-titleholder who on account of the project has been involuntarily
 displaced from such land including plot in the abadi or other property will be considered as
 PDP. A displaced will always be a PAP but all PAP may not be PDP;
- **Project affected household (PAH):** A social unit consisting of a family and/or non-family members living together, and is affected by the project negatively and/or positively;
- Project Affected Area: Refers to the area of village or locality under a project for which land will be acquired under LARR Act 2013 through declaration by Notification in the Official Gazette by the appropriate Government or for which land belonging to the Government will be cleared from obstructions;

- Project Affected Person (PAP): Any tenure holder, tenant, Government lessee or owner of
 other property, or non-titleholder who on account of the project has been affected from such
 land including plot in the *abadi* or other property in the affected area will be considered as
 PAP:
- Project: Project refers to the Punjab Urban Governance and Water Supply Improvement Project funded by the World Bank and implemented by PMIDC and Municipalities of Amritsar and Ludhiana
- **Perennial Crop:** Any plant species that live for years and yields its products after a certain age of maturity is a perennial crop. Generally, trees, either grown naturally or horticulturally and yield fruits or timber have been considered as perennial crop in the project.
- Persons losing their livelihood: Persons losing their livelihood are individual members of the
 DHs, who are at least 18 years of age and are impacted by loss of primary occupation or
 source of income.
- **Private Property Owners**: Private property owners are persons who have legal title to structures, land or other assets.
- **Permanent Buildings or Pucca Structure:** Buildings of a permanent construction type with reinforced concrete.
- Replacement Cost: A replacement cost/value of any land or other asset is the cost/value
 equivalent to or sufficient to replace/purchase the same land or other asset; and has been
 provided in the Entitlements; replacement cost must at least be sufficient to enable purchase
 or construction of housing that meets acceptable minimum community standards of quality
 and safety.
- **Residual Land**: Residual land can be defined as the remaining portion of land left with the owner of the holding after acquisition of land by the project.
- **Sharecroppers:** Persons who cultivate land of a titleholder on terms of sharing income there from with the titleholder.
- **Small Farmer:** A cultivator with an un-irrigated land holding up to two hectares or with an irrigated land holding up to one hectare, but more than the holding of a marginal farmer.
- **Semi-Permanent Building or structure:** Buildings of a semi-permanent type with tiled roof and walls not of concrete or permanent brickwork.
- **Squatter:** A person who has settled on public/government land, land belonging to institutions, trust, etc. and or someone else's land illegally for residential, business and or other purposes and/or has been occupying land and building/asset without authority;
- **Subtenants:** Persons, who not being tenants, can cultivate land on certain terms and conditions.
- Tenant: A person who holds/occupies land-/structure of another person and (but for a special contract) would be liable to pay rent for that land/structure. This arrangement includes the predecessor and successor-in-interest of the tenant but does not include mortgage of the rights of a landowner or a person to whom holding has been transferred; or an estate/holding has been let in farm for the recovery of an arrear of land revenue; or of a sum recoverable as such an arrear or a person who takes from Government a lease of unoccupied land for the purpose of subletting it;

- Temporary Building/Kutcha structure: Temporary building or structure means a temporary type of structure, which includes buildings with roofs constructed of thatch, galvanized iron or asbestos.
- Women Headed Household (WHH): A household that is headed by a woman and does not have an adult male earning member is a Woman Headed Household. This woman may be a widowed, separated or deserted person.
- Vulnerable group: This group includes Scheduled Caste, Scheduled Tribes, Women headed households (WHHs), People with disability (PwD), Below Poverty Line (BPL) families; single women; and persons above 65 years of age irrespective of their status of title (ownership). Vulnerable groups would also include those farmers who (after acquisition of land) become small/marginal farmers and also qualify for inclusion in the BPL list. For such cases, total land holding of the landowner in that particular revenue village will be considered in which land has been acquired;
- Wage earner: Wage earners are those whose livelihood would be affected due to the displacement of the employer. The person must be in continuous employment for at least six months prior to the cut-off date with the said employer and must have reliable documentary evidence to prove his/her employment.

Proposed Entitlement Matrix

This Entitlement Matrix has been developed for disbursement of entitlements to different categories of PAPs, based on the LARR Act of 2013. This Matrix will be used as guidance for developing the sub-project city-level Resettlement Action Plans during the preparation and implementation phase. All affected families will be entitled to 2 broad categories of entitlements-1) compensation for any land lost (relocation from physical displacement) due to project investments; and 2) compensation for temporary or permanent loss of livelihood (rehabilitation as a result of economic displacement). The entitlements for livelihood related assistance at this stage is indicative and will finally be based on actual ground-truthing through detailed census and impact assessment to ensure that the actual compensation at least restores the income loss to pre- project levels and is compensated at replacement cost.³

The livelihood assistance figures have been worked out to yield an annual income of approximately Rs. 30,000 per family, an income level corresponding to the initial ladder of the Above Poverty Line (As per definition the income limit for households qualifying as BPL (below poverty line) has been pegged at about Rs. 27,000 per annum- based year 2014-15). The amounts given in the Entitlement matrix are for the financial year 2014-15. Adjusted for inflated, these figures need to be increased by 6 percent for each additional year.

³ Replacement cost is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the un-depreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs.

Type of Loss	Identification of	Entitlement	Entitlement Details			
	Affected Households					
A. LOSS OF LAND						
1. Loss of agricultural Land	PAFs/ PAPs with legal titles/ rights, recognizable legal rights, usufruct and traditional titles/ rights for affected land	Land-for-land or compensation in cash at replacement value	(i) In case of partial impact on land with the remaining land economically viable for continued use, compensation in cash at replacement cost will be given. (ii) In case of loss of entire land holding, the PAPs will be entitled to compensation in cash for the entire land holding. (iii). In case of entire loss of productive land, PAPs will be entitled to transition allowance equivalent to the total income derived from the affected land in the last 2 years.			
	Sharecroppers and leaseholders	Compensation in cash	(i) Sharecroppers will receive compensation for their share of the loss of crops. (ii) Leaseholders will receive compensation equivalent to the remaining part of the lease amount. (iii) Additionally, affected sharecroppers and leaseholders will receive cash assistance equivalent to 6 months of income derived from the affected land (The income from land would be assessed by the concerned agriculture/ horticulture deptt.)			
2. Loss of residential or commercial land	PAFs/ PAPs with legal rights/ titles, recognizable rights, or traditional rights to the affected land	Land-for-land or compensation at replacement cost	For entire loss of residential, commercial, industrial, or institutional land, or where only a part of the land is affected but the remaining land is rendered too small according to the local zoning laws: (i) Where available and feasible, PAPs will be provided replacement land of similar attributes to that is lost or compensation in cash at replacement cost. (ii) In case of replacement land, the cost of registration, stamps, etc. will be borne by the project. For loss of residential, commercial, industrial, or institutional land with			

Type of Loss	Identification of Affected	Entitlement	Entitlement Details	
	Households			
	Tenants and leaseholders	Compensation at replacement cost	remaining land sufficient in accordance with the zoning law and for remaining affected structure PAPs will be entitled to compensation in cash at replacement cost. (i) For entire loss of land, the leaseholders will get compensation in cash at replacement cost. (ii) In case of partial loss of land, leaseholders will get reimbursement for unexpired lease period for the portion of land lost. (iv) Tenants will receive rental allowance equivalent to 3 months rental value. Compensation will be given for any improvements done by tenants and leaseholders.	
B. LOSS OF STRU	 JCTURES			
3. Loss of	Owners of affected	Compensation in	(i) For partial loss of structure and the	
private structures	structures	cash at replacement cost	remaining structure viable for continued use, PAPs will be entitled to compensation for the affected part of the structures calculated as per the latest prevailing GoP Schedule of Rates (SR) without depreciation or deductions for salvaged material; and	
	Ourses of official	Commonation in	(ii) Repair allowance for improvement of the remaining structure where applicable at 10% of compensation will be calculated for the affected part of structure.	
	Owners of affected structures	Compensation in cash at replacement cost	For entire loss of structures or where there is only partial impact, but the remaining structure is rendered unviable for continued use:	
			(i) PAPs will be entitled to compensation for the entire structure calculated as per the latest GoP Schedule of Rates (SR) without depreciation or deductions for salvaged material; (ii) They retain the right to salvage any material from the demolished structure;	

Type of Loss	Identification of Affected	Entitlement	Entitlement Details			
	Households					
	Tenants and	Rental assistance	(iii) A lump sum transfer grant is given at the rate of INR. 3,000 for temporary, INR. 4,000 for semi-permanent, and INR. 10,000 for permanent structure for shifting household assets and other belongings to the new area. a) Tenants would only be given rental			
	leaseholders of affected structures	Kental assistance	assistance on a case-to-case basis in the form of grant. b) Additional structures erected by tenants will be compensated and deducted from owner's compensation. c) Any advance deposited by tenants or leaseholders will be deducted from			
4. Impact on marketplace, shops, businesses, and commercial enterprises	Titleholder (owner operator) and non- titleholder (tenant operator) losing shops/ commercial enterprise	Relocation assistance	owners' total compensation package. Affected enterprise whose commercial structure can no longer be used for commercial purpose as a result of project impact will be provided the following: a) All establishments will be provided cash compensation on case- to-case basis, depending upon their income, size, and location, or project-assisted relocation option if available. b) A lump sum transfer grant at the rate of INR. 3,000 for temporary, INR. 4,000 for semi-permanent, and INR. 10,000 for permanent structures for shifting of assets and other belongings to new area. c) The right to salvage material from demolished structure			
C: LOSS OF CRO	C: LOSS OF CROPS AND TREES					
5. Loss of crops and trees	Owner/operators/ tenants affected	Compensation at "market value"	a) Advance notice to PAFs to harvest their crops b) In case of standing crops, cash compensation for loss of agricultural crops at current market value of mature crops based on average production c) Compensation for loss of timber trees at current market value of wood/timber or			

Type of Loss	Identification of Affected	Entitlement	Entitlement Details
	Households		
			firewood, depending on the kind of tree, to be computed by concerned department
			d) In case of fruit trees, compensation at average fruit production to be computed by concerned department
D: LOSS OF LIVE	LIHOOD		
6. Loss of	Titleholders losing	Transitional	PAFs losing their business establishment
primary	income	assistance	due to displacement will be assisted in the
source of	through business		form of a grant for the days of closure up to
income			a maximum of 3 months of their income from affected business.
	Titleholders losing	Assistance for	PAFs will be entitled to income restoration
	income from loss	income	assistance, vocational training, and skill
	of agricultural land	restoration	upgrading options as per PAFs' choice,
			equivalent to a maximum of INR. 10,000
			per affected household. Specific income
			restoration measures will be decided in
			consultation with PAFs based on their
			needs.
	Non-titleholders,	Assistance for	PAFs losing their business establishment
	namely squatters	income	due to displacement will be assisted in the
	and encroachers,	restoration	form of a grant equivalent to 3 months of
		restoration	their income from affected business.
	losing primary		
	source of income		PAFs will be entitled to income restoration
			assistance, vocational training, and skill
			upgrading options as per their choice
			equivalent to a maximum of INR. 10,000
			per affected household. Specific income
			restoration measures will be decided in
			consultation with PAFs based on their
			needs.
	Wage-earning	Transitional	Employees affected in terms of loss of
	employees	assistance	employment due to displacement of
	affected in terms		commercial structure will be given lump
	of loss of		sum transitional assistance equivalent to
	employment		INR. 3,000/month for 3 months.
	ON-TITLEHOLDERS		
7. Encroachers	Households	No compensation	a) Encroachers will be given 1 month notice
		for land	to remove their assets that will be affected.
			b) Right to salvage material from
			demolished structure c) Compensation for
			affected structures at replacement

Type of Loss	Identification of	Entitlement	Entitlement Details
	Affected Households		
8. Squatters and informal settlers	Households	No compensation for land, but compensation for structure at replacement cost and other assistance	a) Squatters will be given 1 month notice in which to remove their assets that will be affected. b) Compensation for loss of structure at replacement value c) A lump sum shifting allowance of INR. 3,000 for temporary, INR. 4000 for semi-permanent, and INR. 10,000 for permanent structures d) Right to salvage material from demolished structure
F: TEMPORARY	IMPACTS		
9. Temporary impacts on land and other assets during construction	Owner/operator of affected assets	Cash compensation for affected assets and for loss of income potential	a) Compensation for affected standing crops and trees as per market rates b) In case of impacts on land: -Restoration of land to its previous or better quality -Contractor to negotiate a rental rate with owner for temporary possession of landCompensation for crop losses for the duration of temporary occupation, plus 1 more year necessary for soil to be adequately restored to its original productive potential
			-Project and contractor to ensure that persons other than owner affected as a result of the temporary acquisition are compensated for the temporary period c) Compensation in cash for loss of income due to temporary loss of access for duration of the impact d) In case of any impact on properties (structure) during construction, the contractor will restore the impacted structure to its previous condition before handing over to owners. e) Any temporary acquisition of land for the project will be done in accordance with the prevalent local laws.

Type of Loss	Identification of	Entitlement	Entitlement Details
.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Affected		
	Households		
10. Temporary impacts on livelihoods during construction	Hawker/ Vendor or Owners/ employees of affected enterprise	Cash compensation for the loss of potential income	a) Compensation for period of income loss during the construction phase, up to a maximum of 3 month on a case to case basis based on assessment of daily, monthly income for the enterprise owner/hawker/vendor
			b) Compensation for employees based on unskilled/ semi-skilled or skilled work based on states notified minimum wages, up to a maximum period of 3 months
			-Project and contractor to ensure that persons affected as a result of temporary acquisition are compensated for the period
G: LOSS OF CON	MON PROPERTY RE	SOURCES	
11. Loss of	Affected	Cash	Cash compensation at replacement value
common	community/instit	compensation/	or reconstruction of the community
property	ution responsible	reconstruction	structure in consultation with the
resources			community /institution
H: REHABILITAT	ION MEASURES		
12. Additional	Households	Lump sum	Additional lump sum assistance of INR.
assistance to	categorized as	assistance	5,000 per household to vulnerable groups
vulnerable	vulnerable (i) those		such as female-headed households,
social groups	below poverty line		households with disabled family members,
	(BPL); (ii) scheduled		households below poverty line, scheduled
	castes (SC) and		tribe and scheduled caste households, etc.
	scheduled tribes		
	(ST); (iii) Women-		
	headed households		
	(WHH); (iv) elderly;		
	and (v) People with		
I: DEVALUATION	disabilities-PwDs		
13. Devaluation	Households	Lump sum	Cash compensation for households
of assets as a	i iousciioius	assistance	adversely impacted as a result of
result of project			structures/ assets created in residential
investments			areas
J: UNIDENTIFIE	IMPACTS		
14. Other			Any unanticipated consequence of the
unanticipated			project will be documented and mitigated
adverse			based on the spirit of the principles agreed
impacts	I	I	upon in this policy framework.

Valuation of Lost and Affected Assets

- 1. Compensation for Land and Assets attached to the Land: Land will be acquired either through LARR Act 2013 or through Private Negotiations:
 - a. All compensation and R&R assistances will be based on the LARR Act 2013.
 - b. Compensation for land to be acquired in urban and rural area: (market value x 1) plus value of assets attached to land or building) plus (100% solatium) = Land Compensation Price in case of acquisition by Act or amount determined as per mutual consent/ negotiations basis that ensures the amount is at replacement cost and not less than the compensation available under LARR 2013.
- 2. Compensation for Structures: The replacement value of houses, buildings and other immovable properties will be determined based on latest PWD Basic Schedule of Rates for valuation purpose as on date without depreciation. While considering the PWD rate, PMIDC will ensure that it uses the latest rates for these structures. Wherever the SR for current financial year is not available, the Competent Authority will update the BSR to current prices based on approved previous year escalations. Compensation for properties belonging to the community or common places of worship will be provided to enable construction of the same at new places through the local self-governing bodies in accordance with the modalities determined by such bodies to ensure correct use of the amount of compensation.
- 3. Compensation for Trees: Compensation for trees will be based on their market value. Loss of timber bearing trees will be compensated at their replacement cost and compensation for the loss of crops, fruit bearing trees will be decided in consultation with the Departments of Forest, Agriculture and Horticulture, Government of Punjab. In line with the provision of LARR Act 2013, 100% solatium will be added to the assessed value of the trees. Prior to taking possession of the land or properties, the compensation will be fully paid and affected persons will have the opportunity to harvest crops/trees within 15 days from the date of payment of compensation.
- 4. If the residual land, remaining after acquisition, is unviable, the owner of such land/property will have the right to seek acquisition of his entire contiguous holding/property provided the residual land is less than the minimal land holding of the district/State. Owner's choice in this regard should be obtained either prior to payment in case of direct purchase or prior to declaration of award.
- 5. Further, all compensation and assistance will be paid to PAPs at least 1 month prior to displacement or dispossession of assets. In case of compensation payable following acquisition through private negotiations, direct payment transfer of single installment payment will be done to beneficiary bank account. PMIDC will assist beneficiaries to open a Bank account, in case they do not have Bank Account and in special cases, provide the payment through cheque.

- 6. Even after payment of compensation, displaced PAPs would be allowed to take away the materials salvaged from their dismantled houses and shops and no charges will be levied upon them for the same. A notice to that effect will be issued intimating that PAPs can take away the materials so salvaged within 15 days of their demolition; otherwise, the same will be disposed by the project authority without giving any further notice. Trees standing on the land owned by the government will be disposed of through open auction by the concerned Revenue Department/ Forest Department of Government of Punjab.
- 7. There shall be no income tax deductions in line with Sec 96 of the LARR Act 2013. In the event any deductions are made toward taxes, such amounts will have reimbursed.
- 8. Each PAPs whose income or livelihood is affected by a subproject will be assisted to improve or at least restore it to pre-project level. Income restoration schemes will be designed in consultation with affected persons and considering their resource base and existing skills. PMIDC will identify the number of eligible PAPs/DPs and will conduct training need assessment in consultations with the affected persons so as to develop appropriate income restoration schemes.
- 9. The PMIDC with support of specialised agency will examine local employment opportunities and produce a list of possible income restoration options. Suitable trainers or local resources will be identified by PMIDC in consultation with local training institutes. Disadvantaged and vulnerable households will get special assistance in this regard. PMIDC will also facilitate affected person access to Government schemes that could help them to restore income and livelihood. In addition, the entitlement matrix provides for one-time income restoration allowance.
- 10. It is the responsibility of PMIDC to ensure that the RAP is prepared and implemented in a timely manner. The implementation schedule needs to be updated periodically and monitored judiciously. The objectives of the RAP shall be deemed achieved only when the following criteria are met:
 - All legal compensation both for land and structure and other assets (trees, crops, etc.) are be paid;
 - ➤ All eligible PAPs must have received their due R&R entitlements;
 - Any relocation or resettlement and economic rehabilitation required is fully completed.
 - All project affected common property resources must be replaced/restored reestablished or suitably augmented

Implementation Arrangements

All land related impacts emerging from the project will be managed by the project implementing agencies, namely, Punjab Municipal Infrastructure Development Company, Amritsar Municipal Corporation and Ludhiana Municipal Corporation with due support from the district administration.

The overall institutional struture proposed for the project is as follows:

- Punjab Municipal Infrastructure Development Company(PMIDC) is the State Level Apex Institution that implements urban reforms and investment programs and will act as the nodal agency and house the Program Management Unit (PMU) for this Project. It will be responsible for integrating actions under the current program at the state level and across the 2 citiesto support ULBs in implementing WSS reforms.
- City level implementation will be the responsibility of the respective Municipal Corporations
 with capacities housed in their PIUs and eventually the proposed water utilities will take over
 after they are set up.
- However, considering the likely creation of a WSS entity at the city level, this part of the Program (Program Implementing Unit- PIU) will be housed within the respective Municipal Corporations, with individual ULBs responsible for Operations and Maintenance (O&M) and for meeting the deliverables with support from PMIDC.

In light of this overall institutional structure planned for the program, the following institutional arrangement is proposed for operationalisation of this Resettlement Policy Framework (RPF) as well as for the preparation and implementation of Resettlement Action Plans (RAPs) for the city level sub-projects:

- As per ESS5, if multiple agencies are involved in implementation (as is the case in this project), the borrower has overall responsibility for their coordination, laying down the process of LA, planning and disbursement of compensations, regular monitoring -accountable for overall LA/ RR process and outcome. In line with this, the primary responsibility for operationalisation of the RPF and for the preparation and implementation of city-specific RAPS will be with PMIDC.
- Deputy Commissioner of the concerned district, based on the provisions of LARR Act 2013 and the State Policy on Land Acquisition, will have the competent administrative authority for land acquisition or steering the process of private negotiation on behalf of the municipal corporations. This will include notification of the process of LA, commissioning of the Social Impact Assessment (SIA) as 'appropriate government' (under Section 4 of LARR, 2013), hearing grievances and suggestions related to the process, monitoring the process of LA, handing over of compensation to PAPs/PAFs, land use changes and hand over of the property/ assets to the concerned administrative department/ municipal corporation.

- Land Acquisition Officer appointed for the purpose will be responsible for facilitating the process of SIA, examination of proposals for land acquisition and Social Impact Assessment report under section 8, preliminary survey of land under section 12, marking and measuring of land proposed to be acquired under section 20, supporting the conduct of socio- economic survey and preparation of R&R plans, support to preparation of valuation statements and compensation awards, payment of compensation and entitlements to PAPs/PAFs and finally taking possession of the land after completion of the process.
- <u>Coordinating departments</u> to support the 'appropriate government' by providing estimates for valuation of the structures, assets, trees, crops and related resources.
- Social Development Specialists located in the city level PIUs will be specifically responsible handling of all social, resettlement and land related issue at the city level, with the help of competent CSOs hired for the purpose. The overall coordination and guidance will be provided by the Social Development Specialist in the State level PMU. This will include review of the preparation of sub- project level RAPs, facilitating and monitoring the SIA including meaningful and informed stakeholder consultations, socio-economic surveys/ census, coordinating the preparation and implementation of RAPs, oversee the identification of PAFs/ PAPs, including those differentially impacted and estimation of impacts, identification of innovative, promising strategies for restoring livelihoods of the impacted, coordinate the implementation of risk mitigation measures proposed under the RAPs, ensure functionality and awareness about the GRM set up for PAPs and mandatory disclosure of RPF/ RAP (including their availability in local language) and prepare periodic safeguards reports.
- Project <u>Director</u> through the PMU will be responsible for the entire land procurement process, coordination between different agencies responsible for land transfer to the department/ project/ municipal corporations and its compliance with World Bank procedures and measures outlined by LARR Act, 2013 and other national/ state regulations.
- Civil Society Organisations (CSOs)/ Support Organisations (SOs), if required and hired by the project will support social mobilization, provide oversight on the process of SIA, ensure identification of vulnerable/ excluded groups and likely project impacts on them, facilitate community consultations as part of RAP preparation, facilitate RAP implementation, stakeholder engagement through the project life cycle and support capacity building on livelihoods, skill development and income restoration and on R&R procedures.

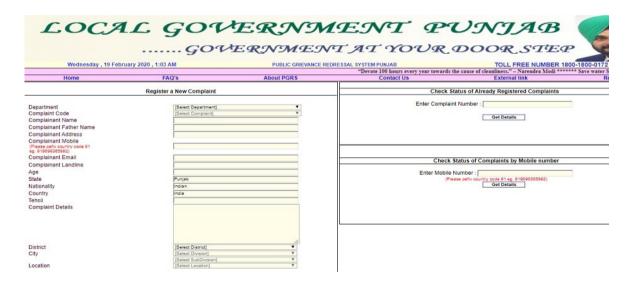
Grievance Redress Mechanism

The state has a number of grievance redress platforms that could be linked to provide access to the project affected people under the Bank project to air their grievances. This will be in addition to the project specific GRM that the program is expected to create as part of the preparation process. Government of Punjab has a state wide grievance management system (PB-PGRAMS) - http://publicgrievancepb.gov.in/ developed on the lines of CPGRAMS of the Department of Administrative Reforms and Personnel Grievances of Government of India. The portal is managed centrally by General administration department and invites public services related grievances from the citizens. It also has provisions for tracking the status of individual grievances, lodging

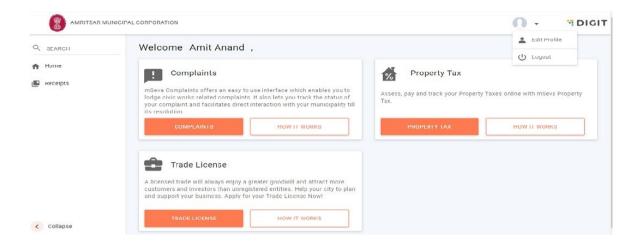
reminders and for seeking further clarifications on grievances already redressed. Each department has designated a Public Grievance Officer to act as the focal point under PGRAMS.



There are also department level grievance systems in place, with one specifically for the department of local government- http://pgrslg.punjab.gov.in/pbsnkuser/ that invites complaints around water supply and sewerage, storm water drainage, solid waste management, street lighting and roads, parks and buildings and property tax which could also be used by the citizens for registering their project specific grievances as well as issues related land related impacts.



In addition, under the m-seva e- governance initiative of department of local government and PMIDC for improved accountability at the city/ municipal corporation level there is a web portal https://mseva.lgpunjab.gov.in/citizen/add-complaint as well as mobile application for use by citizens to register their city specific grievances. The m-seva is quite comprehensive as it provides more detailed complaint categories under each sub-sector (10 sub-categories under water supply and sewerage and 3 sub-categories under Land violations)



Each department and city also has a specific toll free number to be used for making enquiries as well as for registering grievances. (For example, the local government department has 1800-1800-0172 as its registered toll free number; Ludhiana municipal corporation uses 0161-4085013 as its Complaint and Helpline number.

Complementing these and as per mandatory requirements under World Bank supported projects a project specific GRM will also be developed by the implementing agencies to invite grievances from aware citizens and also assist the PAPs in registering and redressing their complaints. The project specific GRM will have all the elements of a responsive system including: easy systems for filing complaints, availability of multiple options for filing grievance (based on literacy and degree of digital inclusion- offline as well as offline/physical access methods), provision for registering offline grievances through independent agencies/ third-party/civil society, creation of unique complaint ID for tracking grievances, time-bound redress protocols based on nature/ complexity of complaints, hierarchical system of escalation from ward to city to state level at PMIDC, data accessibility to program managers at all levels for monitoring/review the status of complaint redress, investments on creating public awareness about the GRM systems, especially among the project impacted, random back checks after closure of complaints as part of quality assurance.

All land related grievances will first come to the site office and concerned officials at the ward level and will have a timeframe within which to address or escalate the grievance. Un-addressed grievances will then go to the city level PIU or the municipal corporation based on the nature of complaint and which will be redressed within a specific timeframe. All un-resolved complaints, again based on their nature will further escalate to the administrative department or the PMIDC.

There will be a Grievance Redress Committee (GRC) constituted both at the city level PIU and the state level PMU to look at complaints, talk to PAPs on their grievances related to land acquisition or economic displacement, periodically analyse and categorise complaints received, bring issues to the attention of decision makers in case of a spurt in grievances for necessary action (interagency coordination, contractor management, due diligence, lapses in adherence to land acquisition process agreed to under the RPF/RAP, identification of PAPs, disbursement of compensation etc.) to ensure a smooth implementation of the resettlement framework.

The GRC will periodically prepare and disclose reports on the category wise number of complaints received, number of cases satisfactorily redressed, number of cases unaddressed and reasons for the same, steps taken to improve awareness about the GRM system during the reporting period and areas requiring attention of the implementing agencies at different levels.

Apart from the formal GRM, project stakeholders will also have the space available under the national and state level rights-based legislations like the provisions of Right to Information Act 2005 and the Punjab Right to Services Act 2011 to demand accountability or register their grievances. Under Component 2, the program also plans to use social accountability tools like Client Satisfaction Surveys, Citizens Report Cards Or Social Audits for assessing program performance and could be used for airing project related grievances including those related to land related impacts.

Monitoring and Evaluation

Monitoring the preparation and implementation of RAP will be the responsibility of the PMU and the city based PIUs. The cities could individually assess the need for deploying a credible civil society organization or a government institution for supporting it in monitoring the process of consultation, conduct of surveys/ census, assessment of the scale of pan-city resettlement impacts, process for fixing compensations for land acquisition and resettlement.

The PIUs will need to maintain a city level database of records related to the LA process adopted, complete baseline data, number of consultation organized as part of RPF/RAP preparation, details and minutes of those consultations and their participants, details of PAPs/PAFS, category wise numbers of PAPs based on the nature of impacts, updated status on the process of identification and disbursement of compensations, number of PAPs with LA specific grievances and the status of those grievances. Preparation of RAP implementation and completion report will also be the responsibility of the PIU for sharing with the World Bank through the State PMU. If required and based on the exact scale of land related impacts, the PMU will also have the leverage to commission an independent assessment of the RAP implementation in both the cities.

Key performance indicators related to the status of impact assessment through survey/census, number of consultations held/ number of stakeholders reached out, resettlement measures completed, progress on disbursement of compensation awards, etc, will be included in the projects results framework to facilitate regular tracking of progress related to LA and resettlement.

Budget for Preparation and Implementation of sub-project RAPs

Resettlement budget for the project will include the following items- cost of preparation of 2 subproject RAPs (one for each city) including SIA related consultations, surveys and census of impacted PAPs/PAFs, compensation for the procurement of land by whatever means decidedacquisition or private negotiation, compensation for structures, assets impacted including assistance for temporary or permanent economic displacement, cost of commissioning monitoring or support organisations, additional studies for data collection or for evaluation of RAP implementation, need based hiring of consultants/ specialists.

The estimated resettlement budget for the project will be approximately Rs 89 crores, of which the direct land acquisition cost could be alone around Rs 77.5 crores, compensation for structures, assets, R&R, valuation losses could be about Rs 9 crores, with an additional Rs 1.6 crores provisioned for support organisations, RAP implementation, studies and hiring of consultants. As the full scale of impacts is unknown at this stage, this budget will be updated at a later stage once the scale and nature of impacts are known.

RAP IMPLEMENTATION BUDGET					
S N o	Item	Unit/ impacted	Rate	Cost (INR)	
1	Cost of procuring land for WTPs				
а	Amritsar	40	Rs. 1 crore/ acre	400,000,000	
b	Ludhiana	50	Rs 0.75 crore/ acre	375,000,000	
2	Compensation for structures and Assets	50	50,000	2,500,000	
3	R&R measures for vulnerable groups	50	50,000	2,500,000	
4	Compensation for temporary economic displacement	15,000	5,000	75,000,000	
5	Asset valuation loss around OHSR sites	50	Rs 1.25 lakhs	6,250,000	
6	Compensation for other indirect/ unanticipated impacts	Lumpsum	10,000,000	10,000,000	
7	RAP preparation- both cities	2	3,000,000	6,000,000	
8	Studies /NGO/ consultants/RAP monitoring	2	5,000,000	10,000,000	
	TOTAL in INR			887,250,000	
	TOTAL in USD			12.49 million	

Disclosure and Revisions

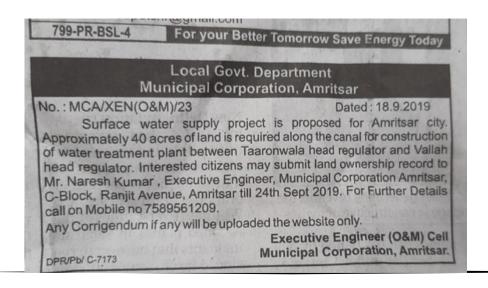
Once this draft RPF is approved and cleared by the World Bank it will be disclosed by the Borrower on its official website as well as those of the municipal corporations along with other safeguard documents for seeking comments and feedback. Executive summary of the approved RPF will be made available in Punjabi on these websites. Once finalized this RPF will be redisclosed on the Borrower and Bank website.

Any changes in project design/ components, changes in the project context will need to be reflected in subsequent revisions to this policy framework and duly disclosed by the Borrower.

Annexure 1: Advertisements Inviting Land owners for Negotiation

Newspaper Clippings Amritsar







Newspaper Clippings Ludhiana

