

Resettlement Plan

August 2013

TIM: Road Network Upgrading Sector Project

**Resettlement Plan of
Manatuto-Laclubar-Natarbora
Road A-09 & C-15**

EXECUTIVE SUMMARY

1. Physical infrastructure development, particularly road network improvement is recognized by the Government of Timor-Leste (GoTL) as one of the top priorities to accelerate the country's new economic opportunities and poverty reduction.
2. The road network of Timor-Leste comprises about 1,430 km of National Roads, and 870 km of District Roads. The National Road Network, which links the country's 13 National Districts, comprises the East-West Northern Coastal Road, the East-West Southern Coastal Road, and five North-South Roads, which connect with the two Coastal Roads.
3. The Conselho de Administracao do Fundo Infrastrutura (CAFI) is the Executing Agency (EA). The Ministry of Public Works (MPW) as implementing agency (IA) is responsible to manage implementation of the proposed Road Network Upgrading Sector Project (RNUSP) through a Project Management Unit (PMU). The RNUSP includes improvement and upgrading of priority national roads under following subprojects: (i) Manatuto-Natarbora; (ii) Laclubar Spur; (iii) Baucau-Lautten; (iii) Lautem-Com; (iv) Baucau-Venilale; (v) Venilale-Viqueque; (vi) Lautem-Lospalos.
4. The 91km Manatuto-Laclubar-Natarbora road is core sub-project under RNUSP, which comprises three sections: (i) Improvement of existing road from Manatuto to Laclubar Junction, (ii) Laclubar Junction to Natarbora; and (iii) Laclubar Junction to Laclubar town proper. The sub-project road starts at Manatuto town proper national road, SucoSau at the Rotunda monument (at km 65+235) and ends at the intersection of Natarbora (at km 144+000) under Suco Manehat with about 80 km in length from the start. The road subproject will also include the 11 km from junction road (at km 100+266) to Laclubar town proper (at km 110+566) to rehabilitate the road using the existing road width and the alignment. The total length of the Manatuto-Laclubar-Natarbora Road is 91km.
5. The strategy for the Project is to minimize land requirements by confining the construction works within existing road corridor or on the government-owned land. Implementation of physical works for widening, raising, improvement of gradient and the embankment will be carried out by adjusting within the existing space available along the road corridor. The project interventions, for improvement of the Manatuto-Natarbora road, for which this Resettlement Plan (RP) has been prepared, will not involve significant resettlement impact. It has a very insignificant acquisition of land, and will not involve significant physical displacement of people from housing.
6. The sub-project works for widening of the existing road will involve some resettlement impacts. Based on a combined census and socioeconomic survey carried out between February to March 2013, there are 34 households that hold permanent, semi-permanent and temporary structures to be affected for improvement of the road widening. Four kiosks and 9 shops, 2 residential structures and 6 fences that need to be relocated and reconstructed. The removal of 39 trees is needed in order to clear off the right of way on the easement land. The road alignment will also have to acquire portion of government and private/community owned land. A summary of impacts are shown in Table 1.

Table 1: Summary of Impacts

Impact Category	Magnitude of Impact
Affected Household	34 Households
Affected Persons	171 Persons
Number of residential structures	2 Structures
Affected Kiosks/Shops	13 Kiosk/shops
Total area of affected structures	152.90 m ²
Total area of affected land	9541 m ²
Total number of affected fence	6 Fence
Affected Trees	39 Trees

7. The census combined with socioeconomic survey has estimated a total of 171 affected persons (APs), splitting into 89 male and 82 female (Table 2). A list of the affected household heads with magnitude of impact is given in Annex 2. The sub-project is classified as category B.

Table 2: Population of APs

SI no.	Description	No. of APs	Percent (%)
1	Male	89	52
2	Female	82	48
	Total	171	

8. During the feasibility study and the detailed design, a screening was undertaken to identify any indigenous peoples (IP) and potential project impacts. The finding was that no affected population along the project road which could be classified as IP as defined under ADB's Safeguard Policy Statement (SPS). All the surveyed APs can nevertheless be termed as mainstream Timor-Leste citizens. All the surveyed APs were found to be members of the Catholic Church, while maintaining ancestral beliefs and rites. However, if any groups having a distinct social structure and communal-based land tenure such as commons and grazing lands are identified during construction, adequate measures will be adopted to ensure that they also receive compensation regardless of their legal title or ownership.

9. To address the resettlement impacts under the Manatuto-Laclubar-Natarbora Road, MPW has formulated this RP following ADB's safeguard requirements on involuntary resettlement under the SPS, and in conformity with the resettlement principles and procedures outlined in the Resettlement Framework (RF) adopted by the Government of Timor-Leste for the Project.

10. The Project will follow the approach of negotiated settlement. All the APs will be compensated at negotiated rates that ensure compensation is at least at replacement cost in order to ensure that they will be as well off as without the Project. The compensation and entitlement matrix is presented in Table 4.1. All APs will be entitled to receive entitlements as set out in the RP.

11. Fair compensation for affected assets has been estimated in the RP based on rapid appraisal and in consultation with APs and their communities, and relevant local authorities during the census and inventory of loss survey. This estimated compensation will be finalized in coordination with the Directorate of Land, Property and Cadastral Services (DLPCS). The DLPCS will set up a committee under the Directorate and coordinate with the MPW/PMU, a professional valuation specialist is hired to establish a basis for fair compensation for affected assets for road improvement to be used in negotiation. The information gathered through rapid appraisal and consultation with the project affected people and their community, and relevant

local authorities during the census will be updated accordingly before the negotiation for final compensation for affected assets.

12. APs will also receive a reconstruction and relocation cost; each AH having income loss will also receive a transitional allowance of US\$ 100 per month (which is around average monthly income of APs) for 2 months. The vulnerable APs or women HH will be entitled to an additional transitional allowance for 1 month at monthly rate of US\$ 100.00. This rate of US\$ 100 as transitional allowance will be entitled for 4 months for the widow headed HH.

13. A grievance redress mechanism will be established to solve disputes and complaints from APs, including: (i) a PMU focal point (e.g. subproject manager) at sub-project level; (ii) committees/groups at District and Suco levels. The mechanism will try to resolve grievances at local level with the assistance of local leaders. The chairperson of Suco level group will be the initial grievance focal point to receive and facilitate project related concerns or disputes. She/he will immediately advise the PMU focal point/subproject manager, who will arrange for any matters concerning the project to be addressed immediately through a site visit and consultations. Any grievance which cannot be settled at the Suco level will be submitted to the District level committee or PMU. At each stage the conduct of grievance resolution will be done in coordination with local authorities, MOJ/DLPCS and MPW/PMU. Other than disputes relating to land ownership rights, most grievances related to resettlement benefits, relocation of structures, and other assistance will be resolved at subproject level. When grievances have finally not been resolved at the project level, the AP can submit the case to the civil courts for an early resolution.

14. A summary of the draft and final RP and the entitlement matrix will be translated into local language (Tetum/Portuguese) and disclosed to stakeholders, especially affected persons, by the MPW. This will be presented in the form of a pamphlet/brochure to enable the APs and local communities to read it and be aware of the subproject's benefit/compensation available for the APs, as per provision in the 'entitlement matrix'. This will also include Entitled Persons List describing all particulars of compensation for each AP. MPW field staff / consultant will distribute the brochures through Suco meetings and will explain the mechanisms and procedures of the compensation program.

15. The PMU under the MPW will have overall responsibility for implementing the sub-project. The PMU will strengthen its capacity with an appointment of MPW focal staff for land issues and social safeguard specialists to plan and implement resettlement, train counterpart staff and monitor resettlement in the sub-project. To this end an Environmental and Social Unit (ESU) will be established in the PMU, staffed by an MPW focal staff for land issues, a national social safeguards specialist and an international social safeguards specialist. The safeguards specialist under the design and supervision consultants will be responsible for subproject level activities in coordination with the PMU.

16. The RP for Manatuto-Laclubar-Natarbora road upgrading will require a total of 86,175.00 USD (0.086 million US Dollar), out of which 78,341.00 USD is direct resettlement expense and the rest is kept to meet contingency expenses. Table 9.1 details the segregation of this amount. The included cost items are in compliance with the RF used in the preparation of this RP budget. A 10% of the total direct expenses of the budget are kept to meet contingency expenses covering the unforeseen impact cost, administrative and its associated costs.

17. All costs associated with land purchase and resettlement will be provided by the government. The MOF/MPW will ensure that adequate funds are available for carrying out resettlement according to the budgets prepared for the sub-project. The PMU will facilitate the negotiation process and coordinate/undertake allocation of resettlement budget, approval of payments, and delivery of funds, monitoring of progress and reporting.

18. The financial resources for the RP implementation will be available before the starts of the civil works. After the RP is finalized and approved by MPW and ADB, the actual implementation of RP will immediately begin. It is required to compensate the APs prior to construction activities in compliance with the SPS and RF.

1. INTRODUCTION

1.1 Background

1. In the short time since becoming an independent and sovereign Nation, Timor-Leste has been establishing the foundations for a stable and safe State and for a strong economy. In order to create jobs for the people and to ensure that the entire country benefits from the wealth flowing from natural resources, it is necessary to develop a vibrant market economy, with a strong and diversified private sector. The Government of Timor-Leste (GoTL) developed a Strategic Development Plan to enable the development of the country's productive sectors, covering the improvement of telecommunications, ports, airports, roads, bridges, drainage and the provision of drinking water. Physical infrastructure development, particularly road network improvement is recognized by the GoTL as one of the top priorities to accelerate the country's new economic opportunities and poverty reduction. The core road network of Timor-Leste comprises about 1,430 km of National Roads, and 870 km of District Roads. The National Road Network, which links the country's 13 National Districts, comprises the East-West Northern Coastal Road, the East-West Southern Coastal Road, and five North-South Roads, which connect with the two Coastal Roads.

2. GOTL has requested Asian Development Bank (ADB) to finance Road Network Upgrading Sector Project (RNUSP). RNUSP will comprise following subprojects: (i) Manatuto-Natarbora; (ii) Laclubar Spur; (iii) Baucau-Lautten; (iv) Lautem-Com; (v) Baucau-Venilale; (vi) Venilale-Viqueque; (vii) Lautem-Lospalos.

3. The Conselho de Administracao do Fundo Infraestrutura (CAFI) will be project executing agency (EA) and the Ministry of Public Works (MPW) will be implementing agency (IA). MPW will manage implementation of the Project through existing Project Management Unit (PMU), supported by the consultants.

4. RNUSP will undertake construction works under sub-projects to stabilize structures of slopes, improve drainage structures to meet forecasted rainfall volume and intensities, and replace the existing pavements with selective alignment improvement. The RNUSP will also develop long-term systems for efficient, high quality maintenance and emergency response through training programs to local communities and businesses so that they can undertake minor repairs and routine maintenance. The objective of the Project in investing in the key road infrastructure is to reduce the impact of the high volume and intensity of rainfall on the road corridor.

5. The strategy for RNUSP is to minimize land requirements by confining the construction works under subprojects within existing road corridors or on the government-owned land. Implementation of physical works with widening, raising, improvement of gradient and the embankment will be carried out by adjusting within the existing space available along the road corridor. None of the subprojects under RNUSP are expected involve significant resettlement impacts. The Resettlement Framework (RF) for RNUSP describes potential impacts and procedures to address such impacts under RNUSP subprojects. This Resettlement Plan (RP) is prepared for core subproject Manatuto-Laclubar-Natarbora. The RF and RPs are prepared following ADB Safeguard Policy Statement (SPS) and relevant laws of Timor-Leste.

1.2 Sub-Project Description

6. The sub-project will upgrade and rehabilitate road and bridges from Manatuto-Natarbora. The construction works will be implemented tentatively in 2014 and will have a construction period of about 24 months. The sub-project starts at Manatuto town proper, SucoSau at the Rotunda monument (at kilometer 65+235) and ends at the intersection of Natarbora (at km 144+000) under Suco Manehat with about 80 km in length from the start. The subproject will also include 11 km from the junction road (at km 100+266) to Laclubar town proper (at km 110+566) to rehabilitate the road using the existing road width and the alignment. The total length of the Manatuto-Laclubar-Natarbora Road is 91km. A Project Location Map is presented in Figure 1.

Figure 1: Location Map



7. In the detailed design, the proposed road upgrading alternates were recommended and divided into seven homogenous sections taking into account varying terrain characteristics along the route and conditions/features of the road. The detail is summarized below:

Sect	Section Name	From To	Length (km)	Width (m)	Remarks
1	Manatuto-Cribas (A09-1a)	Km65.2 - km82	16.8	4.5	Flat/Rolling Terrain
2	Manatuto-Cribas (A09-1b)	Km82 - km88	6.0	4.5	Flat terrain, asphalt surface good
3	Cribas - Laclubar Jct (A09-2)	Km88 - km99.5	11.5	3.5-4.0	Rolling/Mountainous terrain, heavy deterioration
4	Laclubar Jct – Manehat (A09-3)	Km99.5 - Km133	33.5	3.5-4.5	Rolling/Mountainous terrain, gravelly road
5	Manehat – Natarbora (A09-4a)	Km133 - Km140.5	7.5	4.5	Rolling, asphalt surfacing deteriorated
6	Manehat – Natarbora (A09-4b)	Km140.5 - Km144.7	4.2	4.5	Flat terrain, asphalt surface good

Sect	Section Name	From To	Length (km)	Width (m)	Remarks
7	Laclubar Jct - Laclubar	Km0 - Km10.3	10.3	3 to 3.5	Rolling/Mountainous heavy deterioration, gravelly surface

8. The road improvement works includes widening of the existing road to achieve a width up to 8 to 9 meters wide carriageway for urban like in Manatuto Vila and Suco Cribas central areas, together with shoulder width on each side, including drainage construction. In rural areas like from junction Laclubar up to town proper, the limit of 4.5 to 6 meters width of carriageway is enough to improve the road traffic condition. These improvements in rural areas require strips of land along either side of the existing embankment of about 1 to 1.5 meters. A side walk will be provided in rural areas were as maximizing the space by using the top of the drainage. In the urban areas, the resettlement impact has been avoided or minimized by careful attention to the detailed design of the alignment since it is desirable to stay close to the existing alignments as far as possible. This involves some compromise on reducing the embankment at certain sections of the tortuous stretch, but not to the extent of creating potentially uneasy to and for traffic on the road.

1.3 Objective of RP

9. In line with ADB's safeguard policy on Involuntary Resettlement, the RP has the following objectives:

- Land acquisition and resettlement will be avoided, where possible, and otherwise minimized through appropriate designs;
- Resettlement will be conceived and executed as part of the project;
- Affected people (APs) will be meaningfully consulted, and be facilitated to participate in planning and implementing the RP; and
- APs will be assisted to improve, or at least restore their livelihoods and standards of living to pre-project levels.

1.4 RP-related Conditionality

10. The starts of the civil works will be contingent on the compliance to the following conditions:

- Approval of this RP by the MPW and ADB
- Full disclosure of this RP to the APs
- Satisfactory implementation of the RP including the delivery of compensation to APs
- Granting of 'No objection' by ADB to commence civil works

2. SCOPE OF LAND ACQUISITION/RESETTLEMENT

2.1 Measures adopted to minimize Land Acquisition and Resettlement impact

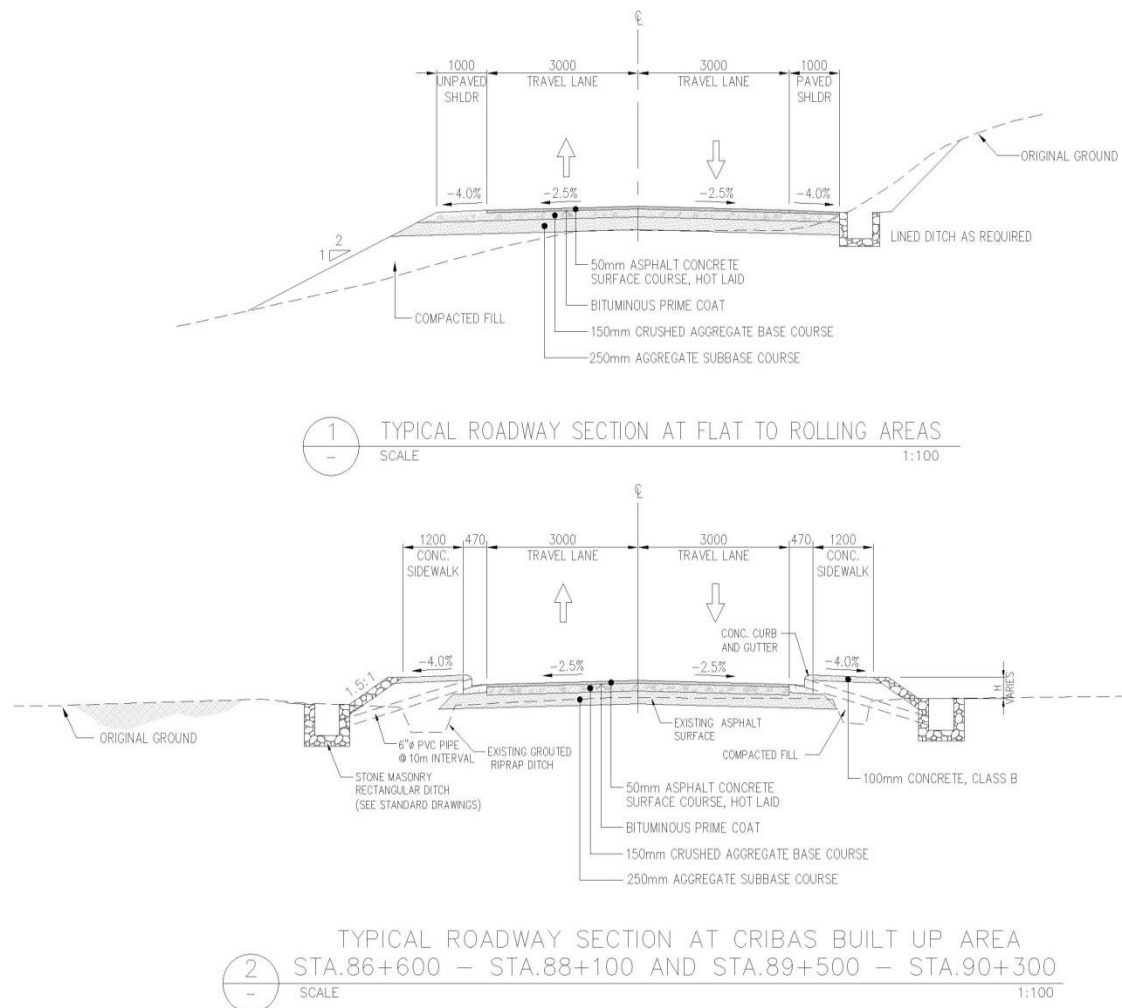
11. Improvement with widening of the road is planned to be carried out limiting within the 8 meters existing width of the road corridor. The road pavement width will be 6 meters all the way except in road going to Laclubar town proper from the Laclubar junction, which will be 4.5 meters. The shoulder provision is proposed up to 1-1.5 meters and 1 meter for drainage canal.

Initially, the proposed widening of the road involved impacts on land, structures, trees and other assets in several locations. In subsequent effort to avoid and minimize resettlement impacts to the extent possible, the sub-project adopted a strategy to reduce the embankment width at certain sections, including:

- adjusting within the available government-owned lands;
- staying within or close to the existing alignment as far as possible to avoid land obtaining impact;
- realigning the embankment to avoid structure or the built-up areas where possible;
- paying careful attention to the detailed alignment in the vicinity of sensitive cultural features such as cemetery and places of worship in order to avoid impacts upon them.

12. Typical road Sections for urban and rural areas applied in this subproject to minimize resettlement impact is shown in the figure 2 below.

Figure 2: Typical Section



13. Following the above alternatives, a great extent of land impact has been minimized. In the preliminary assessment, a total of 48 households (HHs) with about 198 affected persons (APs) were estimated to be impacted. After reviewing the impacts and the necessary realigning of the road stretch, the number of households has been substantially reduced to only 34 HH. Impacts on other 14 HHs were avoided since the road going to Laclubar town proper from the junction will be improved within the 4.5 meters existing width. Table 2.1 shows the measures taken to minimize the resettlement impacts along the road corridor.

Table 2.1: Measures to minimize resettlement

Districts	Total No. of owner of structures to be affected before mitigation measures	No. of structures avoided after mitigation measures	No. of APs to be affected before mitigation measures	No. of APs to be affected after mitigation measures
Manatuto vila	20	12	91	84
Laclubar	15	10	47	53
Soibada	9	8	38	34
Natarbora	4	4	22	0
Total	48	34	198	171

2.2 Scope and Rationale for Land Acquisition/Resettlement

14. As stated above, improvement of the Manatuto-Natarbora Road will be carried out mostly within the 8 meters existing width of the road corridor, requiring marginal additional land on some sections with minor resettlement impacts. Widening and improvement of the road will partly affect 34 households (171 APs) owning 1 permanent and 1 temporary structure, 9 shops (7 permanent and 2 semi-permanent) and 4 temporary kiosks. Other affected assets are 6 bamboo fences, 3 concrete slabs, 1 public faucet and 1 temporary stock room. About 39 trees of different species will be affected along the government-owned as well as privately claimed land along the road alignment. The improvement of the alignment will affect 6 land plots, among these 4 AP households claim communal ownership and 2 AP households claim private ownership. Some of the minor re-alignment falls within the government owned land. The existing road corridor is deemed to be stretching on government land. For understanding the adverse social and resettlement impacts of the sub-project interventions, a 100% census combined with socioeconomic survey was carried out during 25 – 28 February 2013 to make an inventory of losses (IOL), assessment of compensation, and to develop a baseline of socioeconomic status of the households likely to suffer from project implementation. A structured questionnaire (Annex 1) was used to collect details of the affected households (AHs). Photographs were taken at the time of carrying out the survey works, showing below as the records of evidence.





Tagging and Socio-economic survey of APs was conducted along the project area from Manatuto vila sub-district to Natarbora sub district.

2.3 Summary of Impacts

15. Table 2.2 summarizes the resettlement impact of the Project, section 2.4.3 of this chapter details the losses in each category.

Table 2.2: Summary of Impacts

Impact Category	Magnitude of Impact
Affected Families	34 Households
Affected Persons	171 Persons
Affected residential structures	2 Structures
Affected Shops	9 shops
Affected Kiosks	4 kiosk
Other improvements	3 improvements
Total area of affected structures	152.90 m ²
Total area of affected land	9541 m ²
Total number of affected fence	6 Fence
Affected Trees	39 Different Species of Trees

16. It is assessed that the potential resettlement impacts of this subproject is not significant and the subproject is classified as category B.

2.4 Impact Assessment

2.4.1 Affected Households and Persons

17. There are 34 households that will be affected by the road project. The total number of members of these families is 171 persons. Among these, 2 household owning residential structures that will be affected. Number of affected Household owning other types of improvement is 34. Among APs, 89 are male and 82 are female. A list of the affected household and affected persons with magnitude of impact is presented in Annex 2.

2.4.2 Impact on Land

18. To minimize the impact on resettlement, almost the entire road improvement works is proposed to be carried out within the existing road corridor or on the land owned by the government. In Manatuto area km 63 + 500 and Laclubar at Km 99 + 200 sections, the widening of the road will encroach into private land of about 1.5 to 2 meters average from the edge of the existing carriageway parallel along one side only. This is necessary to improve the existing critical section of the road for the safety of traveling public. There are 6 households owning community and private land that will be affected by the road improvement works. Based on the Socio-economic survey, the AHs or claimants are willing to transfer or cede their claims over the small portion of their land for the betterment of the road. During the disclosure process, APs will be evaluated based on the RF and they will be informed of their rights on entitlements before they make their final decision on transfer. The area of the affected private land is 3,218 m² and 6,323 m² from the government owned land. See Table 2.3 and 2.4 descriptions.

Table 2.3 Summary of Impact on Land

Classification of affected land	Area Affected M ²	Present Uses of land	Affected (HH)	Type of Ownership	Magnitude of Impact	Initial Agreement with Claimants
Agricultural Land	2,894	Riceland	4	Communal	Marginal	Transfer & Compensate
Residential Land	324	Vacant	2	Private	Marginal	Compensate
Government Land	Approx. 6,323	Road Easement ROW	-	State/Public	Marginal	Government Rights

2.4.1 Magnitude of Impact on Land

19. The magnitude of Impact on Land was insignificant on the basis that the affected area of land is marginal. The area on residential lots was vacant and only improvement like trees and bamboo fence are affected. On the affected agricultural land, the area to be acquired was very negligible since the average width of the land intake is 1 meter to 1.5 meters from the edge of the existing road width. The total area of the privately owned land per owner was ranging from 9,500m² to 2 hectares, the affected area per APs was less than 10% of the total area of land they owned, and considered a marginally affected impact. However, in consideration on the disturbance, rehabilitation assistance will be given to APs to address the temporary disruption during construction.

20. The specific boundary of community-owned 2,894m² land was not available at the time of survey, but the owners had their landmark on their property boundaries with their estimated land area they occupy and claimed. The land area affected was based on the topographic survey of the consultant in the proposed alignment of the road. The boundary information will be updated after further survey in coordination with DLPCS and local stakeholders.

2.4.3 Impact on Crops

21. There were minimal impacts on agricultural land since the design is avoiding the disruption on rice fields and other crops. The design will have a limited effect on these crops by

maximizing the use of the existing width of the road. The design of retaining wall for slope along the road side is one of the design mitigation on this. The construction will be scheduled after the harvest of the rice crops to minimize the disturbance on the farmers.

2.4.4 Impact on Trees

22. There are 39 trees with different species that will be affected by the road alignment. The dominant specie is banana tree followed by mango, papaya, afocat, bua, coconut, jumbo-air, coffee and jackfruit respectively. There are minimal none fruit bearing tress alongside that will be affected; these are ai-teca, ai-ru, ai-kafe, ai-lele, ai-na and bamboo. See Table 2.4 Summary of Affected Trees and the List of affected trees. The basis of current market value came from the surveyed private trading on trees, woods and lumber, also from the recommended estimated value of the Ministry of Agriculture.

Table 2.4 Summary of Affected Trees

Kinds of Trees	Number of affected	Estimated cost per tree (USD)	
		APs Appraised	Surveyed Current Market Cost
Banana	9	50	30
Mango	7	150	100
Guava	1	30	20
Coffee	2	60	50
Caiju (Cashew)	2	40	30
Jackfruit	1	60	50
Coconut	2	60	50
Bua	2	80	60
Afocat	2	60	50
Jambo-air	2	60	50
Aiata	1	60	50
Ai-teca	3	120	100
Ai-lele	2	150	100
Ai-na	2	200	150
Ai-kakeu	1	50	40
Bamboo	1	60	50

2.4.6 Impact on Structures

23. There are totaling of 28 structures to be marginally and severely affected involving a total of 152.90m² of floor area. This comprise: (i) 2 HHs with the area of 25.20 m², holding temporary, and permanent residential structures; (ii) 1 affected temporary stock room has an area of 2.25 m²; (iii) 9 shops of about 83.20m²; (iv) 4 temporary kiosk stands will lose about 20m²; (v) 4 concrete slab and eaves with a total area of 22.25 m²; (vi) 6 bamboo fences with 119 linear meters in length; and (vii) 1 public faucet. These are semi-permanent and permanent structures either informal settlers or encroachers on roadside government lands. Apart from the residential structures, small business structures, also known as kiosks and shop, will require to be moved back and reorganize their structure. There will be temporary business disturbance only during the construction time of the respective sections of the road. Income loss and reconstruction cost will be considered in this RP. See table 2.5 Summary of Impact on Structures. See the detailed description of impact per lot in Annex 2.

Table 2.5 Summary of Impact on Structures

Types of Structure	Number of APs	Area Affected (m ²)	Degree of Impact				APs Estimated Value (USD)
			Severe (Entirely)		Marginal (Partially)		
			APs	Area	APs	Area	
Permanent House	1	13.20	-	-	1	13.20	2,000
Temporary House	1	12	1	12	-	-	1,000
Permanent Shops	7	60.55	2	29.50	5	31.05	6,055
Semi-Permanent Shops	2	37.95	2	37.95	-	-	3,036
Temporary Kiosk	4	20	4	20	-	-	600
Temporary Stock Rm	1	2.25	1	2.25	-	-	135
Concrete Slab & Eaves	4	22.25	4	22.25	-	-	1,126
Bamboo Fence	6	119 (lm)	6	119	-	-	2,380
Public Faucet	1	1 unit	1	3	-	-	1,200

2.4.7 Impact on Income

24. After mitigation, there are 4 APs owning the land that needs to be acquired by the project. Land acquisition has a minimal impact on loss of income because the affected land was not so productive and less than 5% of their annual income. There are 12 APs to be affected by losing their tree resulting in loss of an asset. 13 households will temporarily lose their income from the kiosks/shops during construction of the particular section of the road that lies within the respective areas. After construction, they will reestablish these kiosks/shops and will continue their business as usual. The loss of income will be occurred due to structure loss of 13 shops and kiosk for two months of disturbance during contraction work in respective sections of the road.

2.4.8 Impact on Public Utilities

25. The improvement of the road will affect some basic utilities like electric post and water lines alongside within the shoulder. This was foresighted and considered by the road designer and it will be included in the cost of civil work. The project will make a plan prior to construction on relocating these affected utilities avoiding the substantial interruption on the community during construction. Unforeseen affected utilities will also be considered if found within the construction limit during construction.

2.4.9 Impact on Women and Vulnerable Groups

26. Attempts were made during socio-economic survey to assess the impacts of the subproject on women and vulnerable groups (VG). Discussions were undertaken with the women and community people to look into the current status and needs of the women in the subproject area and the potential impact of the resettlement and overall project on them. The assessment has not brought forth any adverse impacts of the subproject specific for women in particular; resettlement impacts are expected to be similar to men and women. The sub-project is anticipated to benefit them by strengthening connectivity and by accelerating new economic opportunities and poverty reduction that contribute towards the overall quality of life in their area.

3. SOCIOECONOMIC INFORMATION AND PROFILE

3.1 Working Methodology

27. A 100% socio-economic survey combined with 100% census of the APs was carried out during February to March 2013 to provide requisite details on the affected households (Ahs), assessing the magnitude of impacts and to identify measures for mitigation of adverse impacts. Interviews were held with the heads of the Ahs and family members at their residences to collect socioeconomic information of the affected population. Structured questionnaire (Annex 1) was used to collect details of the affected households.

3.2 Demographic Characteristics of APs

3.2.1 Population of APs

28. According to the census and socioeconomic survey, total identified APs are 171 splitting into 89 male and 82 female (Table 3.1).

Table 3.1: Population of APs

Sl no.	Description	No. of APs	Percent (%)
1	Male	89	52
2	Female	82	48
Total		171	100 %

3.2.2 Age of APs

29. Majority of the affected population are within age 18 to 50. A significant portion of APs are above 18 and aged 70 above are minor, i.e. under age 15.

Table 3.2: Age distribution of APs

Age features of the AP	No of AP	% of AP
0-4 years of age	23	13
5-18 years of age	62	36
Between 19 to 50	58	34
Between 51 to 70	23	14
>71 years of age	5	3
Total	171	100%

3.2.3 Marital Status of APs

30. Table 3.3 shows the marital status of the APs. From marital point of view, maximum of the APs (47 %) are married, 38% are unmarried and 15% are minors.

Table 3.3: Marital Status of the APs

Marital Status	Male		Female		Total	
	No.	%	No.	%	No.	%
Minor	12	14	13	16	25	15
Unmarried	36	40	29	35	65	38
Married	41	46	40	49	81	47
Total	89	100	82	100	171	100%

3.2.4 Education of APs

31. Among the total number of APs, 15% are illiterate, i.e. below school age. Apart from them, it was found that majority of the affected population can read and write. 26% have junior high school and 23 % are senior high school or equivalent education attainment (Table 3.4).

Table 3.4: Education of APs

Level of Education	No. of AP	% of AP
Illiterate	25	15
Able to read and write	59	34
Junior High School Equivalent	45	26
Senior High School Equivalent	38	23
University Graduate Equivalent/Upper	4	2
Total	171	100%

3.2.5 Ethnicity of APs

32. No major ethnic diversity or indigenous characteristics were observed among the surveyed APs. All the surveyed APs can be termed as mainstream Timor-Leste citizens. All of the surveyed APs were found to be followers of Christianity. All the surveyed APs were found to be using Tetum as the primary language.

Table 3.5: Religion of APs

Religion	No of AP	% of AP
Christianity	171	100 %
Islam	-	-
Buddhism	-	-
Hinduism	-	-
Total	171	100 %

3.3 Characteristics of Households

3.3.1 Family Structure

33. Majority of the households surveyed are nuclear family households. Maximum family member was found to be 9 and minimum was 4. In an average, each AH has more than 5 members. This was based on the socio-economic survey last February 2013.

3.3.2 Economic Profile of AHs

34. Based on the socio economic survey last February 2013 the HH in the project area has an annual income between USD 500 to 2000. Only 10% have annual income in extend of USD

2000 but below 5000. More than 20% of the AH depend on business as source of income and about 5% are engaged in professional service.

Table 3.7: Annual Income of Affected Families

Amount (USD)	Number of Families	Percent (%)	Average Income
Up to 500	54	50	120/month
Above 500 and Below 2000	43	14	
Above 2000 and Below 5000	15	10	

Source: Survey carried out in February 2013.

Table 3.8: Main Occupation of Affected Families

Type of Occupation	Number of Families	Percent (%)
Business & Agriculture	34	20
Commercial/Business	31	18
Professional/Business	9	5
No work/minor/studying	97	57
Total	171	100 %

3.3.3 Quality of Life Indicators

35. On the socio economic survey, majority (82%) of the AH have electricity supply and only 18 % have no electricity supply. About 84 % of the AHs are having piped water supply and 10 % are having supply from protected well. Unfortunately 6% of the AH were having supply from-un-protected sources. However, AH has the year round accessibility of road.

Table 3.9: Housing, Electricity and Water

Electricity	Percent (%)
AH having electricity supply	82
AH having no electricity supply	18
Total	100
Water supply	
AH having piped water supply	84
AH having water supply from protected well	10
AH having water supply from un-protected sources	6
Total	100
Accessibility	
Year-round accessibility	100%

Source: Survey carried out in February 2013.

3.4 Economic Details of AHs

3.4.1 Poverty Status

36. The Timor-Leste Socio Living Standard Survey (TLSLS) establishes the official poverty lines, based on average national prices, derived from lower and upper poverty lines both of which include food and essential non-food items (minimum basic needs). The food portion of the poverty line is anchored to a daily intake of 2,100 calories per person. The lower poverty line

measures extreme poverty. Based on the TLSLS 2007 methodology, the predicted poverty incidence of Timor-Leste for 2009 is 41%. This suggests a drop of around nine percentage points compared to 2007, when poverty incidence had risen very sharply following the crisis and subsequent economic shock. The poverty prevalence derived from the 2009 updated TLSLS are provided in Table 3.10 Poverty in Impact Area.

Table 3.10: Poverty Status in Impact Area

Sub-District	Poverty Incidence	Poverty Depth	Poverty Severity	% of Population	% of Total Poor
Manatuto	43.3	9.8	3.1	18.6	14.2
Laclubar	58.6	19.8	7.4	5.8	11.5
Soibada	69.7	27.8	11.8	6.0	9.6
Natarbora	38.5	10.3	4.1	7.2	10.3

37. Average annual income of the project AHs in particular is USD 1440, i.e. USD 120 per month. Average family members per AH is 8.55. Hence average income per month per person of the AHs is USD 19.75. The TLSLS 2010 defines the upper poverty line to be US\$ 26.68 per month per person and the lower poverty line to be US\$ 21.53 per month per person. The poverty status of the most AHs therefore is below the poverty line.

4. LEGAL POLICY FRAMEWORK AND ENTITLEMENTS

4.1 Introduction

38. The RP is based on ADB's *Safeguards Policy Statement of 2009* (SPS) as well as the Timor-Leste's applicable/domestic policy instruments and laws. The RP fits with the provisions of the Resettlement Framework (RF) that has been formulated to provide the basis of preparing the RP to mitigate adverse impacts under the subproject. The following section describes relevant policies, entitlements and eligibility for compensation and other resettlement entitlements.

4.2 Existing Policy and Legal Framework for Resettlement in Timor-Leste

39. Section 141 of the Constitution states that the ownership, use and development of land as one of the factors for economic production shall be regulated by law. Section 54 of the Constitution covers the right to private property and provides for:

- (i) Every individual has the right to private property and can transfer it during his or her lifetime or on death, in accordance with the law.
- (ii) Private property should not be used to the detriment of its social purpose.
- (iii) Requisitioning and expropriation of property for public purposes shall only take place following fair compensation in accordance with the law.
- (iv) Only national citizens have the right to ownership of land.

40. The first land law of Timor-Leste was promulgated in March 2003 and was designed to serve as an umbrella law for the rest of the land and property regime. The law defined State property of private domain, established the Directorate of Land, Property and Cadastral

Services (DLPCS) as a legal entity and defined its jurisdiction, and articulated general rules concerning land tenure and property rights to be further developed by ensuing legislation. Moreover, this law established a one-year period for both nationals and non-nationals to register their land claims. Effectively Law No. 1/2003 vests all land that belonged to the Portuguese state, and all state property acquired or built by the Indonesian regime, in the new state of Timor-Leste.

41. A decree issued by the Government in February 2011 provides for granting compensation to relocate unlawful occupants of State property based on humanitarian considerations. The Ministry of Justice (MOJ) through Ministerial Statute is yet to establish the basis for calculating compensation. Another decree promulgated in July 2011 passed in June 2011 provides for the granting of title certificates to landowners/persons in areas where cadastral surveys have been completed (following registration and verification of claims by the government) and confirmed that the claims to land are undisputed.

42. The Civil Code promulgated in 2011 which came into force in March 2012 includes a section that governs day-to-day land decisions such as the sale and lease of land. The following three laws were passed by Parliament but returned by President in the past. These laws are being redrafted for resubmission to Parliament:

- The draft **Land Law** decides who owns what land and in the case of conflicting claims, who has the strongest right to the land;
- The draft **Expropriation Law (EL)** determines the conditions and establishes the procedures under which the state can take land for "public good" and under which it will provide fair compensation.
- The draft **Real Estate Finance Fund** provides compensation as determined under the other laws.

The draft Expropriation Law (EL) recognizes the right to private property and guarantee of fair compensation for expropriated land, as fundamental rights of citizens. Under the draft EL, the expropriation of property for public purposes will be only possible where it is not possible to acquire it amicably through private negotiations. The Council of Ministers, with advice of the Ministry of Justice, will be empowered to issue a notice of public purpose for expropriation. However, the Project's land acquisition will follow the procedures outlined in the RF and the RP for the sub-project, until such time as the draft EL is promulgated.

4.4 ADB Social Safeguard Policies

43. ADB's Safeguard Policy Statement (SPS) has following policy principles: (1) Screen early and assess resettlement impacts; (2) Carry out consultations with APs and develop a grievance redress mechanism; (3) Improve/restore livelihoods of APs through land-based strategies, replacement of lost assets, compensation at replacement cost, and additional benefits, as appropriate; (4) Provide appropriate assistance to physically displaced APs; (5) Improve living standards of poor APs and other vulnerable groups; (6) develop transparent procedures for negotiations; (7) provide assistance and compensation to non-titled APs for loss of non-land assets; (8) Prepare RPs; (9) disclose RPs to APs and other stakeholders and document the consultation process; (10) conceive and execute resettlement as part of the project; (11) deliver entitlements to APs before their physical or economic displacement; and (12) monitor and assess resettlement outcomes.

4.5 Project's Policy Framework and Entitlements

44. The legal and policy framework on resettlement in Timor-Leste has been compared with the requirements of ADB SPS. The resettlement policy principles for the project are as follows:

- (i) Resettlement impacts will be minimized through careful engineering design;
- (ii) APs will be systematically informed and consulted during the entire process of resettlement planning and implementation, including assessment of possible impacts on their livelihoods, acquisition of land/assets, determining compensation/resettlement options, and socio-economic rehabilitation measures. They will be informed of their rights and options and be invited to participate actively in the identification of mitigation and rehabilitation measures;
- (iii) In the consultation process, representatives of local governments, village chiefs, other community leaders and civil society organizations such as non-government organizations (NGOs) from the operational areas will be included. The customs and traditions, as well as the religious practices of all APs, will be respected and protected;
- (iv) The APs will be identified and registered as early as possible in order to establish their eligibility through a population record or census that serves as an eligibility cut-off date, usually around the time of initial consultations, at the subproject identification stage, to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits;
- (v) Consistent with ADB policies, eligible APs are those with (a) titles to land recognized on a legal basis; (b) no legal rights but have a claim to the land or assets, and are recognized through a process identified in the RP; (c) no legal right or claim to the land, but they are occupying it before the cut-off date; (d) whose land is temporarily affected.
- (vi) Eligible APs are entitled to compensation and livelihood rehabilitation measures sufficient to assist them to improve or at least maintain their pre-subproject living standards, income earning capacity and production levels;
- (vii) The institutions of APs, and, where relevant of their hosts, are to be protected and supported. Physically displaced and relocated APs will be assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted;
- (viii) Lack of formal legal rights to assets lost will not deprive any AP from receiving compensation and payments for non-land assets and entitlements.
- (ix) Particular attention will be paid to the needs of vulnerable APs. This group of APs may include those without legal or recognizable title to the land or other assets, households headed by females, the elderly or disabled, and other vulnerable groups, such as people living in extreme hardship, landless and indigenous people that may be present in specific locations. Appropriate assistance will be provided to help them improve their socio-economic status;
- (x) The concerns of women will be identified based on sex-disaggregated socio-economic data, separate discussions on women's concerns, and ensuring adequate measures and budgetary allocations in the RP to compensate and resettle them in a manner that does not disadvantage them, and to provide for social and economic development in impacted areas. In this effort the assistance of national NGOs currently engaged in women's welfare and in income generation, environmental and human resource development programs may be sought;

- (xi) Since there are no significant differences in cultural and socio-economic identity among the different language groups, no specific adverse impacts are anticipated to warrant separate indigenous peoples' plans. To ensure that the different language groups fully participate in planning and implementing resettlement, discussions and reports will be prepared and disclosed appropriately in the relevant languages. RPs will also include provision for any special measures that may be required.
- (xii) Resettlement planning decisions will be preceded by a social preparation phase where consultations will be held with APs, community leaders, local administrators, and NGOs, as applicable, to enhance the participation of these APs in negotiation, planning, and implementation;
- (xiii) Payment for physical assets, i.e. houses, buildings and other structures, and non-physical assets such as lost income from productive assets or jobs, will be calculated at replacement cost and included in the RP;
- (xiv) APs losing only part of their physical assets will not be left with a proportion inadequate to sustain their current standard of living. Such a minimum size will be identified and agreed upon during the resettlement planning process, and total restoration of the assets provided to restore or improve pre-project income and livelihoods;
- (xv) Land for land or asset for asset compensation is always the preferred method. However, if insufficient land or assets are available, or if the APs have a preference and the resettlement impacts are considered to be minor and do not undermine the livelihoods of APs, cash compensation at replacement costs will be provided based on negotiation with APs. For those experiencing significant impacts, assistance will be given to identify and purchase alternative land. Provision will be made in sub-project RPs for sustainable livelihood restoration measures so that affected people can improve or at least restore their standard of living to pre-project levels.
- (xvi) A grievance redress mechanism, linked with existing traditional formal and informal systems and cognizant of cultural requirements, will be established to solve resettlement related disputes and complaints from APs;
- (xvii) The full cost of land acquisition and resettlement, including the cost of surveys and of incremental administration by MPW/PMU and MOJ/DLPCS will be included in the project resettlement cost and adequate budgetary provision shall be made available during implementation;
- (xviii) All land acquisition, compensation, and resettlement activities will be satisfactorily completed and the subproject areas cleared of all obstructions before the commencement of civil works; and
- (xix) No works with resettlement impacts will be implemented before a RP has been prepared and approved in line with this RF.

1.6 Eligibility and Entitlements

45. All persons affected by losing of any fixed or mobile assets as of the cut-off-date will get appropriate compensation and rehabilitation assistance.

46. Cut-off Date under the sub-project is the date after which people will not be considered eligible for compensation, i.e. they are not included in the list of APs as defined by the census. The cut-off date for this subproject has been set as on 25 February 2013, the date of the detailed measurement survey. PMU/MPW has communicated to affected Sucos/Aldeas about

the cut-off date by conducting consultation to inform the affected local communities. People who move into the area after this date will not be entitled to any compensation. In case of the present subproject, the RP recognizes the affected persons eligible to receive compensation for their losses although they have no formal title but have a claim to the assets.

47. All APs identified as of the cut-off-date will receive fair compensation at replacement cost for the affected assets such as temporary and semi-permanent structures, kiosks, trees and other assets. Compensation at replacement cost for affected assets (houses, other structures) crops and trees will be adequate to replace losses.

48. The compensation at replacement costs have been determined based on the information gathered through rapid appraisal and consultation with the project affected people and their community, and relevant local authorities during the census and inventory of loss survey. Available data gathered in the project area like latest sale transaction and construction materials including labor cost were considered also in the estimation. See Table 9.1 Resettlement cost. This will be updated by a valuation specialist in coordination with DLPCS, which will be the basis for negotiation with the APs.

49. APs will also receive a reconstruction and relocation allowance; each AH having income loss will also receive a transitional allowance of US \$100 per month (for 2 months). The vulnerable APs or women HH will be entitled to an additional transitional allowance for 1 month at monthly rate of US\$ 100.00. This rate of US\$ 100 as transitional allowance will be entitled for 4 months for the widow headed HH. The compensation and entitlements are presented in Table 4.1

Table 4.1: Entitlement Matrix

Type of Loss	Unit of Entitlement	Details of Entitlements	Responsibility
1. Loss of Structures	2 HHs with Partial and total (loss) impact on structures (Residential and improvements like fence) located either inside or outside the ROW	• Compensation at replacement cost of affected structure estimated during IOL and finalized with DLPCS. Reconstruction grant estimated during IOL and finalized with DLPCS. • Relocation assistance between AP estimated during IOL and finalized with DPLCS	DLPCS with assistance from the PMU's ESU, Valuation Specialist and in consultation with relevant authorities will finalize the compensation at replacement cost for the affected structure as identified during IOL. Affected structures may be replaced by the civil works contractor under the direction of the PMU.
2. Assets of informal settlers/ encroachers.	Informal settlers / non-tilted APs identified by IOL losing assets/ commercial structure. Semi-permanent and temporary Kiosk/shop	• Compensation at replacement cost of affected structure estimated during IOL and finalized with DLPCS. • Reconstruction grant estimated during IOL and finalized with DLPCS. • Transitional allowance	DLPCS with assistance from the PMU's ESU, Valuation Specialist and in consultation with relevant authorities will finalize the compensation at replacement cost for the affected structure as identified during IOL.

Type of Loss	Unit of Entitlement	Details of Entitlements	Responsibility
		of US\$100 per month (for 2 months) per HH. ▪ Salvaged materials free of cost	
3. Loss of Land	6 HHs holding Communal/Private claim of land	- Cash compensation at replacement cost at current market value, without deduction for any costs associated with transfer Or Land for land settlement option, land exchange by prioritizing the AP on the abandoned road corridor caused by realignment, estimated during IOL and finalized with DLPCS. - Compensation at replacement cost of the affected improvement assets within or inside the affected land.	DLPCS with assistance from the PMU's ESU, Valuation Specialist and in consultation with relevant authorities will finalize the compensation at replacement cost for the affected land as identified during IOL.
4. Affected Tree	12 APs as Claimant of the affected tree	Compensation at replacement cost of affected tree estimated during IOL and finalized with DLPCS. Rehabilitation allowance for affected trees, recovery cost allowance of US\$100 per HH.	DLPCS, with assistance from PMU's ESU, Valuation Specialist, and in consultation with relevant authorities, will determine the fair compensation at replacement cost.
5. Income from business. (Income Loss)	AP Mobile and ambulatory (4 kiosks)(9 shops)	Transitional allowance of US\$ 100 per months (for 2 months) per HH/AP.	PMU with assistance of local authorities and community leaders.
6. Impact on vulnerable APs. (Financial Assistance)	Vulnerable and women headed households identified by IOL	In addition to the above standard package, vulnerable AP households will receive following: Additional transitional allowance of US\$ 100 for 2 month for women headed household.	PMU in coordination with DLPCS and with assistance from the local authorities and community leaders.
7. Unforeseen Impact.	Concerned impacted.	Unforeseen impacts will be documented and mitigated based on the principles of the RF.	GRC/PMU/ MPW identifies and mitigates impacts as required.

5. PARTICIPATORY CONSULTATION AND DISCLOSURE

5.1 Stakeholders

50. This RP has been prepared in consultation with the key local and national stakeholders. Table 5.1 summarizes the consultations that have been undertaken for preparation of the RP. Importance was given to consult the leaders of local communities, particularly the suco/village and hamlet chiefs, along the sub-project road corridor to receive their support to the project. Most importantly, attention was given to the directly affected persons and their community to understand their views towards the project design and benefits, their expectations, and to create awareness among the affected population regarding their entitlements and compensation payment procedures and grievances redress mechanism. In the process of considering mitigation measures, their suggestions have been taken into account to avoid negative impacts to the extent possible.

51. Community people of different areas expressed different concerns, but the main issues concerning the project impacts and AP's expectation and their suggestions on mitigation measures appeared more or less similar. The key local and national stakeholders that were consulted on the Project include:

- local individuals and communities;
- special interest groups;
- government authorities and public sector agencies;
- non-government organizations (NGOs);
- financing agency and other international development agencies; and
- the affected persons

5.2 Key Issues Raised and Answers Provided

52. Consultations, especially at suco and aldeia levels, were dominated by questions and concerns relating to the land ownership issue, negotiated compensation for land and other assets lost, and impacts on livelihoods, impact on religious and cultural sites and on services. The key issues that were frequently raised and answered to in the consultation are summarized as follows:

- **Land Acquisition, Compensation and Livelihoods Restoration**
 - the methods that will be used to determine compensation values for land, structures and other assets; responsibility for compensation determination (MoPW/PMU, DLPCS, Valuation Expert, Supervision Consultants or a compensation committee); whether compensation rates (e.g. for land) will be at the current market prices;
 - fate of people who have no legal right to the land on which they have settled, whether will be entitled to compensation for land, and for other losses, e.g., houses, crops, trees;
 - compensation for the houses that will be affected only in a part;
 - the method of compensation disbursements; timing of when compensation payments will be made;
 - loss of employment to shop and loss of income; Guarantee on the rehabilitation/Financial assistance;
 - use of middlemen/agents in compensation payments

- **Services and Religious/Cultural Sites**
 - impact on existing religious sites, such as church and cemetery, and how would be treated;
 - impact on existing electric supply
- **Employment Opportunities**
 - assurance of employment opportunity for the affected and local people during road construction works

The PMU/consultants team conducting consultations answered the above questions by explaining the project's policies and procedures in line with the RF, including: (i) all eligible APs irrespective of legal title will receive compensation; (ii) compensation amount will be finalized by DLPCS and valuation specialist in consultation with stakeholders; (iii) compensation will apply to affected structures and loss of income, including those partially affected; and (iv) compensation will be disbursed before start of civil works. The team stated that the subproject will avoid impacts on religious sites.

5.3 Community Views

53. Many people anticipated that the subproject could lead to substantial development and the improvement of infrastructure, services and facilities in the area. The sub-project was seen as an opportunity to develop the region and its people. In the consultation meetings, almost all the participants responded by stating that the subproject is necessary for improving connectivity, creating jobs, increasing agricultural productivity and reducing poverty.

54. In the survey stage, the people likely to be directly affected were supportive of the sub-project, participating in the consultation process through responding to the various surveys. They also expressed their support to the sub-project with the expectation of getting fair compensation for their affected assets.

55. Both in the course of consultations and survey period, the participants and likely APs were asked about their preference on the type of compensation for their affected property. In all the meetings almost all the respondents unanimously preferred cash compensation for loss of land, structures, trees and other assets.

Table 5.1: Summary of Stakeholder Consultations

Stakeholder Category	Activities Undertaken
National Level	Consultation with: • Project and Financial Manager, PMU, MoPW • Chief Technical Adviser, PMU • Director, National Statistics Directorate, Ministry of Finance, Timor-Leste • Project Consultant • DLCPS, Dili,

Stakeholder Category	Activities Undertaken
	ADB TA Consultant Sam Pilai
District Level	Consultation with: - District Administrator, Manatuto District - Sub-district Administrators : Manatuto Vila, Laclubar and Natarbora - Representatives of government departments : DLPCS in Dili, Manatuto District
Suco/Village Chief	Consultation with the Suco Chiefs of likely affected sucos in the Project area (Ailili, Aiteas, Man Abat, Sau, Cribas of Manatuto vila Sub-district and Fatuma, Orlalan of Laclubar Sub-district and the Leo-hat, Manlala of Soibada Sub-district and Suco Manehat of Natarbora Sub-district)
Aldeia/Hamlet Chief	Consultation with concerned chiefs of Aldeias
Suco/Villages	6 suco-wise consultation meetings held - within Mantuto, Laclubar, Soibada and Natarbora sub-district
Individual APs	Consultation and negotiation with individual APs to determine estimated costs of affected assets.
Special Interest Groups	Discussions with specific groups of Project-affected people including women, farmers, the landless.
Financing Agency	- Discussion, on-site visit with ADB mission - Senior Infrastructure Specialist, ADB, Timor-Leste - Safeguard Specialist, Pacific Operations Division, Pacific Department, ADB, Manila, WB representative in Timor-Leste

56. In total, 5 consultation meetings have been held at the suco/village level along the existing road corridor, involving a total of 283 participants. Some pictures of consultation meetings are given in Annex 3. The Minutes and Participant Lists are given in Annex 4. Table 5.2 summarizes the consultation program.

Table 5.2: Consultation Meetings

SI No.	Date	Time	Venue (Suco)
1.	Feb. 25, 2013	9:00 AM	Manatuto Vila
2.	Feb. 26, 2013	9:00 AM	Suco Cribas
3.	Feb. 26, 2013	2:00 PM	Suco Orlalan
4.	Feb. 27, 2013	9:00 AM	Suco Manehat
5.	Feb. 28, 2013	9:00 AM	Suco Manlala

5.4 Disclosure

57. A summary of the draft and final RP along with the entitlement matrix will be translated into local language (Tetum/Portuguese) and will be disclosed to stakeholders, especially affected persons, by the MPW. This will be presented in the form of a pamphlet/brochure (see Annex 5) to enable the APs and local communities to read it by themselves and be aware of the Project's benefit / compensation available for the APs, as per provision in the 'entitlement matrix'. MPW field staff / consultant will distribute the brochures through Suco meetings and will explain the mechanisms and procedures and overall process of the compensation program. The RP will be made available in the Ministry of Public Works (MPW) including MPW's field offices,

Directorate of Land Property and Cadastral Services, offices of District Administrators and Sib-District Administrators, offices of the Suco Chiefs, Aldeia leaders, as an official public document. The draft RP will be publicly available and also the final RP after approval.

6. GRIEVANCE REDRESS MECHANISM

58. It is important to deal effectively with APs concerns. Courts should be the last resort. To ensure this a simple, accessible, transparent and effective grievance redress system will be established. There may be mainly three categories of grievances on subprojects with involuntary resettlement impacts. They relate to: (a) land and associated assets; (b) compensation rates, measurements, and payments, and (c) impacts during project implementation. MPW will coordinate with DLPCS to resolving disputes on land issues.

59. To address disputes and complaints from APs, a grievance redress mechanism will be established, including: (i) a PMU focal point (e.g. subproject manager) at sub-project level; and (ii) committees/groups at District and Suco levels. They will include government representatives, village chiefs, APs, and recognized civil society leaders. The mechanism will try to resolve grievances at local level with the assistance of local leaders. ITA NIA RAI's experience with conflict resolution and dispute mediation in property rights will be drawn upon as necessary to strengthen PMU's capacity in addressing land related issues. Experience from the Justice for the Poor (J4P) program in grievance redress will also be drawn upon, as appropriate. APs will not be liable for any costs associated with the project's grievance redress process.

60. The chairperson of Suco level group will be the initial grievance focal point to receive and facilitate project related concerns or disputes. She/he will immediately advise the PMU focal point/subproject manager, who will arrange for any matters concerning the project to be addressed immediately through a site visit and consultations. Any grievance which cannot be settled at the Suco level will be submitted to the District level committee or PMU. At each stage the conduct of grievance resolution will be done in coordination with local authorities, MOJ/DLPCS and MPW/PMU. Other than disputes relating to land ownership rights, most grievances related to resettlement benefits, relocation of structures, and other assistance will be resolved at subproject level. When grievances have finally not been resolved at the project level, the AP can submit the case to the civil courts for an early resolution.

61. Table 2 summarizes the grievance redress mechanism adopted for the project.

Table 6.1: Grievance Redress Mechanism

Stage	Process	Duration
1	AP submits grievance to the Suco level resettlement and grievance group in person. She/he notifies the PMU focal point/subproject manager.	
2	The Suco level group will review and meet with the AP and PMU focal point/subproject manager to try to resolve the issue.	7 days
If unresolved or if AP wanted to go to the District Resettlement and Grievance Committee or PMU		
3	AP or sub-project manager will take grievance to District level resettlement and grievance committee and/or PMU	Within 2 weeks of receipt of decision in step 2
4	Subproject manager will discuss and review the issue with the district level committee and/or PMU	1 week
5	Subproject manager reports back to the Suco level group and to the community/AP	5 days
If unresolved or at any stage if AP is not satisfied		

Stage	Process	Duration
AP can take the matter to appropriate civil court		As per judicial system

7. COMPENSATION AND INCOME RESTORATION

7.1 Restoration of Income from Business

62. According to the February 2013 Census and subsequent exercise of impact mitigation measure, 13 HHs will be affected by losing their business structures. 10 HHs of them are severely affected and 3 HHs are marginal. 9 HHs owning shops and 4 kiosks will face of loss of income from business during construction period. In these cases a transitional allowance, income loss and other financial assistance will be paid to the Ahs/APs in accordance with the RFP. Vulnerable APs will be eligible for additional rehabilitation grant. Semi-permanent and temporary kiosk/shop is entitled also in receiving reconstruction cost, income loss and disturbance allowance aside from replacement cost of their affected structure.

7.2 Compensation for Crops and Trees

63. As per the Census and Socioeconomic Survey, February 2013, on the APs were survey about the estimated cost of their assets and by average, the cost per specie was derived. The cost per tree species in this RP came from the available data in Ministry of Agriculture, Directorate for Forestry and survey market value. Rehabilitation assistance for AHs will be given if severely affected to recover the annual (Harvest) loss of asset cause by the project. The AHs who was having marginally affected assets will be given lump sum rehabilitation assistance.

7.3 Compensation for Assets of informal settlers

64. In these cases, payment will be made for structure and other assets at replacement cost. A lump sum amount will be provided for shifting household assets. Vulnerable APs losing commercial activities will be provided with rehabilitation assistance approximately cost for income loss of two months. APs will have right to salvage materials from the demolished structure.

7.4 Compensation for Land

65. Compensation at replacement cost will be provided for APs losing their land based on current market prices determined through valuation study.

7.5 Compensation for Other Structures and Improvements

66. Compensation at replacement cost will be provided for APs losing their structures and improvements based on current market prices determined through valuation study. Any impacts on public/community facilities will be restored by the civil works contractor during the construction.

7.6 Other Impacts not identified

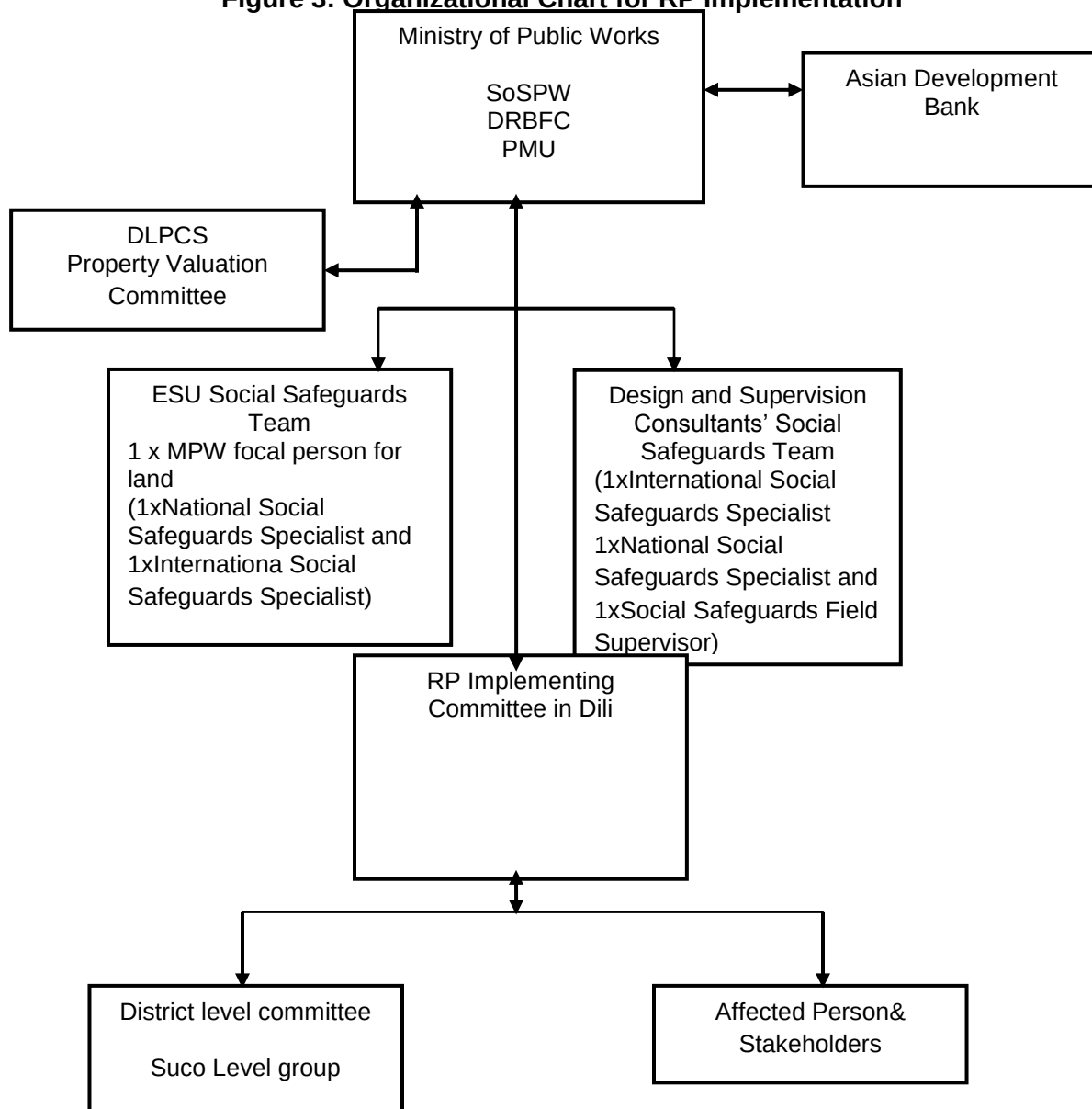
67. Unforeseen impacts will be documented and mitigated based on the principles agreed upon the RF.

8. INSTITUTIONAL FRAMEWORK

8.1 Institutional Setup

68. The PMU under the MPW will have overall responsibility for implementing the sub-project. The PMU will strengthen its capacity with an MPW focal person for land issues, social safeguard specialists to plan and implement land purchase and resettlement, train counterpart staff and monitor resettlement in the sub-project. To this end an Environmental and Social Unit (ESU) will be established in the PMU, staffed by an MPW focal person for land issues, a national social safeguards specialist and an international social safeguards specialist. The safeguards specialist under the design and supervision consultants will be responsible for subproject level activities in coordination with the PMU. An organizational chart for RP implementation is suggested in Figure 3.

Figure 3: Organizational Chart for RP Implementation



ADB = Asian Development Bank; DLPCS = Directorate of Land, Property and Cadastral Services; DRBFC = Directorate of Roads, Bridges and Flood Control; ESU = Environmental and Social Unit; GRC = Grievance Redress Committee; NGO = Non-Government Organization; PISC = Project Implementation and Support Consultants; PMU = Project Management Unit; SoSPW = Secretariat of State for Public Works.

69. The PMU/ESU will be responsible for all environmental and social aspects of the road development work. On the social safeguards side, it will manage all resettlement activities. The following are its key functions:

- Planning, coordination, implementation and monitoring of resettlement;
- Conducting consultations and ensuring affected people are informed on the resettlement and compensation;
- Facilitate negotiations in coordination with the DLPCS and MOF with the assistance from consultants;
- Coordinating with MPW and DLPCS and ensuring prompt, adequate and timely compensation payment according to entitlements;
- Monitoring of resettlement activities and reporting.

70. A valuation specialist will be provided under the PMU to assist the DLPCS in valuation of property and to have appropriate compensation in place. The international safeguard specialist at PMU will assist in managing all resettlement activities including the process of reaching adequate compensation. If situation demands, PMU will engage an experienced NGO, active in the project area, to assist the process of consultations and negotiating compensation and in resolving disputes. The estimated value of the APs will be considered in the negotiation process.

8.2 Resettlement Implementation Structure

71. The institutional responsibilities of different agencies for implementation of resettlement activities are shown in Table 8.1

Table 8.1: Resettlement Implementation Structure

Agency	Roles and Responsibilities
Executing Agency (EA) / Implementing Agency (IA)	• Overall execution of the project • Provides funds for land acquisition and resettlement • Liaises with ADB • Coordinates the Working Group at national level
MOJ/ DLPCS	• Oversees and supports in land acquisition and resettlement process as the national regulatory agency for land.
PMU/MPW	• Manages the social and resettlement aspects of the road sub-projects • Manages design and supervision consultants on all matters dealing with resettlement and consultations • Directs and supervises the planning and implementation of land acquisition and resettlement • Organizes effective public consultation and disclosure of resettlement planning documents in appropriate languages • Obtains and manages the funds required for land acquisition and resettlement, administration and monitoring • Coordinates with the MOJ/DLPCS to ensure smooth land acquisition and assessment and payment of compensation at replacement rates • Ensures that effective monitoring of resettlement is conducted and reported to ADB • Ensures that the grievance redress system is effective in addressing APs

Agency	Roles and Responsibilities
	concerns • Liaises with ADB on all matters relating to resettlement and submits regular reports. • Contracts NGOs or other third party to monitor land acquisition and resettlement, if needed.
Working Group at national level and District/Suco level resettlement committees/groups	• Ensures coordination among relevant ministries • Oversees and reviews implementation effectiveness of land acquisition and resettlement • Resolves land related issues and grievances arising during implementation • Guides and supports the PMU in addressing issues that require higher level intervention • Reviews and takes action on findings of monitoring reports

9. RESETTLEMENT BUDGET AND FINANCING

9.1 Institutional Arrangements for Financing Resettlement

72. All costs associated with land purchase and resettlement will be provided by the government. The MOF/MPW will ensure that adequate funds are available for carrying out resettlement according to the budgets prepared for the sub-project. The PMU will facilitate the negotiation process and coordinate/undertake allocation of funds for the resettlement budget, approval of payments, and delivery of funds, monitoring of progress and reporting.

9.2 Budgetary Estimates

73. The resettlement for Manatuto-Laclubar-Natarbora road upgrading sub-project will require a total of **86,175.00 USD (0.086 million US Dollar)**, out of which **78,341.00 USD** is direct resettlement expense and the rest is kept to meet contingency expenses. Table 9.1 details the segregation of this amount. The included cost items are in compliance with the RF used in the preparation of this RP budget.

Table 9.1: Resettlement Budget Estimate

Description	Quantity	Unit	Rate (US\$)	Total Cost (US\$)
Cost of Structure Compensation				
Permanent House	13.20	M ²	100	1320
Temporary House	12	M ²	80	960
Permanent Shop	60.55	M ²	100	6055
Semi-Permanent Shop	37.95	M ²	80	3036
Temporary Kiosk	20	M ²	20	400
Temporary Stock Room	2.25	M ²	30	70
Concrete Improvements & eaves	22.25	M ²	50	1113
Perimeter Fences	119	M ²	20	2380
Reconstruction cost (Residential)	25.2	M ²	100	2520
Reconstruction cost (improvements, kiosk, shop)	77.95	M ²	30	2339
Total Cost of Structure Compensation				20193
Cost of Compensation for Land				
Communal/ Private Land Claim	3218	M ²	16	51488
Government Owned Land	6323	M ²	-	-

Description	Quantity	Unit	Rate (US\$)	Total Cost (US\$)
Total Cost of Land Compensation				51488
Cost of Compensation for Tress				
Banana	9	each	30	270
Mango	7	each	100	700
Guava	1	each	20	20
Coffee	2	each	50	100
Caiju (Cashew)	2	each	30	60
Jackfruit	1	each	50	50
Coconut	2	each	50	100
Bua	2	each	60	120
Afocat	2	each	50	100
Jambo-air	2	each	50	100
Aiata	1	each	50	50
Ai-teca	3	each	100	300
Ai-lele	2	each	100	200
Ai-na	2	each	150	300
Ai-kakeu	1	each	40	40
Bamboo	1	each	50	50
Total Compensation Cost for Tress				2560
Financial Assistance & Allowances				
Transitional allowance for the APs for loss of income from business for 2 months (shops) US\$ 100 per month	13	Per month	200	2600
Rehabilitation Assistance for AH of the affected trees (LS 100 US\$)	11	Lump Sum	100	1100
Additional transitional allowance of US\$ 100 for additional 1 month for women HH	4	Lump Sum	100	400
Total Financial Assistance & Allowances				4100
Total Direct Cost				78,341.00
Contingency @ 10% of total direct cost				7,834
Total Resettlement Cost				86,175.00

10. IMPLEMENTATION SCHEDULE AND PREPARATORY ACTIONS

10.1 RP Implementation

74. MPW/PMU will begin the implementation process once RP is finalized with DLPCS and approval by the ADB. Grievances or objections (if any) will be redressed as per grievance redress procedure adopted in this RP. The steps for the delivery of compensation for all eligible AHs/APs will be the following:

- (i) **Preparation of invoices.** Invoices for each of the eligible AHs/APs will be prepared by PMU. This document entitles each of the AHs/APs to receive the amount indicated in the invoice.
- (ii) **Delivery of the money to local bank.** The money from MPW/MOF will be remitted to a bank in Dili City. A bank account will be opened by the PMU, and receive the amount of compensation on behalf of the AHs/APs.

- (iii) **Payment.** Each AH/AP will receive a cash/cheque for the whole amount of compensation from the PMU. The AH/AP shall sign a document acknowledging the receipt of the whole compensation and a waiver attesting that he/she has no longer any pending claim over the affected property. A photograph shall be taken with the AH/AP receiving the compensation as record of proof and as part of project documentation.
- (iv) **Identity of Person.** At the time of receiving the compensation cash/checks, the AHS/APs will present their *National Identity Card (NIC)*. The NIC is the basic document of the Timor-Leste's national for establishing the identity of a person. Persons without NICs will have to explain to the pertinent authorities the reasons why they are not in possession of the NIC.

10.2 Implementation Schedule

75. Figure 3 presents the proposed Implementation Schedule of the RP. The RP should be implemented before the civil works to avoid the deferment of the construction. The earliest financial resources for resettlement aspects of the Project must be available on the 6th month after the review and approval of RP from MPW/ADB. Hence the earliest actual delivery of compensation can instigate on the 7th to 8th month depends on the availability fund.

Figure 4: RP Implementation Schedule

Activities	1 st Month	2 nd Month	3 rd Month	4 th Month	5 th Month	6 th Month	7 th Month	8 th Month
Preparation and disclosure of draft RP; Finalize with DLPCS	■	■						
Submission of RP to MPW/ADB for review & approval			■					
Update the RP and submission of revised RP to MPW/ADB for review & approval, addressing the comments				■				
Allocation of resettlement fund					■			
Translation of RP into Tetum/Portuguese language					■	■		
Disclosure of approved RP						■	■	
Distribution of Information Booklet	■	■			■	■		
Negotiation Process							■	■
Preparation of Vouchers							■	■
Delivery of Compensation to APs								■
Dispute/objections (complaints & grievances)						■	■	■
Internal Monitoring and reporting to ADB				■	■	■	■	■

11. MONITORING AND EVALUATION

76. Implementation of the RP will be monitored to provide feedback to PMU/MPW and to assess the effectiveness. Evaluation of the resettlement activities will be resorted after implementation of the RP to assess whether the resettlement objectives were appropriate and whether they were met, specifically, whether livelihoods and living standards have been restored or enhanced. The evaluation will also assess resettlement efficiency, effectiveness, impact and sustainability, drawing lessons as a guide to future resettlement planning.

77. Monitoring of all resettlement and consultation tasks and reporting to ADB will be conducted by the Environmental and Social Unit (ESU) established in the PMU, assisted by the ESU national and international social safeguard specialists. Monitoring will include reporting on progress in the activities envisaged in the implementation schedule with particular focus on public consultations, land purchase (if required), determination of compensation, record of grievances and status of complaints, financial disbursements, and level of satisfaction among APs. Potential indicators for monitoring are briefed in the following Table 11.1.

Table 11.1: Monitoring

Monitoring Issues	Monitoring Indicators
Budget and Timeframe	Have all safeguard staff under ESU been appointed and mobilized for field and office work Have capacity building and training activities been completed Are resettlement implementation activities being achieved against agreed implementation plan? Are funds for resettlement being allocated on time? Have PMU received the scheduled funds? Have funds been disbursed according to RP?
Delivery of AP Entitlements	Have all APs received entitlements according to numbers and categories of loss set out in the entitlement matrix? How many affected households relocated and built their new structure at new location? Are income and livelihood restoration activities being implemented as planned? Have affected businesses received entitlements?
Consultation, Grievances and Special Issues	Have resettlement information brochures/leaflets been prepared and distributed? Have consultations taken place as scheduled including meetings, groups, community activities? Have any APs used the grievance redress procedures? What were the outcomes? Have conflicts been resolved?
Benefit Monitoring	What changes have occurred in patterns of occupation compared to the pre-project situation? What changes have occurred in income and expenditure patterns compared to pre-project situation? Have APs income kept pace with these changes? What changes have occurred for vulnerable groups?

In view of the limited level and extent of impact and loss, and the planned presence of DLPCS and resettlement consultants who will provide a high level of internal monitoring and reporting under the ESU, there is no need for external monitoring.

11.3 Reporting

78. Semi-annual resettlement monitoring reports will be sent to ADB in addition to regular quarterly progress reports. The monitoring reports will be reviewed and conformed by ADB and to provide the NOL for commencing of civil works. The monitoring will involve all concern agencies and may also involve third parties like NGOs, academe of universities and other association affected by the project. These monitoring parties will also get a copy of the monitoring report.