

Land Acquisition and Resettlement Policy Framework
INDONESIA: Second National Program for Community Empowerment in Urban Areas
(PNPM Urban-II)

I. Project Characteristics

1. As a highly decentralized project, PNPM-Urban will support a large number of small subproject investments, mainly in urban areas. Through the kelurahan grants component, the project is expected to provide microloans for income generating activities, and to finance small scale infrastructure and other services (the ceiling for individual subprojects is US\$5,050 or Rp.50 million). None of the subprojects is expected have a significant impact due to land acquisition and/or resettlement.
2. PNPM-Urban is also a community-based demand-driven project. Subprojects will not be identified in advance. The identification of the number of people affected by a subproject can thus only be defined once subproject proposals are evaluated by the community organization (BKM) for the kelurahan grants.
3. Since participatory planning and decision making form the basis for the project, the entire project approach should guarantee that people affected by the project will be involved in the decision making process.

II. Lessons Learned and Land Acquisition Process in UPP 2, UPP 3 and UPPs

4. As all subprojects are small scale, they are expected to have an insignificant amount of land acquisition. The screening will drop any sub project if significant involuntary resettlement takes place. In UPP 2, for instance, only 14% of the subprojects involved land acquisition or needed land. The average size of land acquired was about 6 m², involving 1-5 landowners. The largest land acquisition was 200 m². Subprojects requiring land are mostly public toilets, water supply reservoirs and related distribution, wells, drainage, and footpaths. The two tables below present the situation of land acquisition in the on-going UPP 2. For subprojects requiring land, there are three land acquisition schemes.

Summary of Extent of Land Acquisition in the 13 KMWs*)

Scheme of Land Acquisition	Road and bridge	Housing	Sanitation and drainage	Public Facility	Others	Total
Contribution	179	4	942	504	12	1641
(%)	62.37	100	53.6	56.8	80	55.61
Not clear**)	92	0	685	372	3	1152
(%)	32.06	0	38.9	41.89	20	39.03
Individual	15	0	85	8	0	108
(%)	5.23	0	4.84	0.9	0	3.66
Village land	1	0	45	4	0	50
(%)	0.35	0	2.56	0.45	0	1.71
Total	287	4	1757	888	15	2951
(%)	9.78	0.14	59.18	30.4	0.51	100

Note : *) Not include KMWs 2,9, 14. **) It is believed that this category comprises mainly land contribution from individuals who benefit from the investment of the subprojects. Data from KMWs and field supervisions suggests that only a small number of subprojects have acquired land through cash compensation.

Land acquisition in the local/community infrastructures financed by on-going UPP 2 In Kota Makassar

No	Type of subprojects	Number of subprojects	Number that has land acquisition	Nature and intensity of land acquisition	Scheme of land acquisition
1.	Drainage	35	0	0	-
2.	Community toilets	13 (67 units)	4 (30 units)	average less than 20m2*)	Contribution
3.	Footpaths	18	1	103 m length	NA
4.	Local roads	25	1	154 m length	Contribution
5.	Water supply	12 (73 units)	1 (10 units)	Less than 20 m2*)	contribution
6.	Temporary garbage site	18 (285 units)	0	0	-
7.	Bridge	11 (296 m)	0	0	-
8.	Public lighting	9 (164 units)	0	0	-
9.	Community health facility	2	0	0	-
10.	Others	11 (98 units)	0	0	-

Note: *) estimation based on field observation
UPP 2 in Makasar comprises 26 Kelurahan, the data above covers 24 Kelurahan

5. The most common land acquisition scheme is land contribution from subproject beneficiaries. This constitutes about 56% of subprojects that need land. It is also believed that the other 40% of subprojects that need land also obtain land from voluntary community contribution, despite unclear identification in the consolidated report. Field visits to selected kelurahans and reports from visited OCs confirm that, for this category, land is obtained through community contribution.

6. The second scheme for land acquisition is through compensation. In a very few cases, land is obtained through cash compensation with full consultation with landowners and funded by cash contribution from beneficiaries of the subprojects. Recent field visits to selected UPP 3 sites suggest that only one subproject acquired land through compensation, involving one landowner and about 100 m2 of land. The funds for compensation were contributions from the

beneficiaries. This land was obtained through full consultation/negotiation between the landowner and the beneficiaries. Most subprojects in UPP 2, UPP 3, and UPP AF obtain land through voluntary contribution from beneficiaries.

7. The third scheme for land acquisition is land provided by the local government, which has taken place in very few cases in the project. In one case encountered during UPP 3 supervision, the local government provided land for the development of a facility that was co-financed by them and by the community grants.

A. Land contribution from the community

8. As mentioned above, the UPPs have three schemes for obtaining land needed for subprojects: contribution from the community members, cash compensation, and contribution from the local government. Field visits to selected sites show that there have been no negative social impacts to the community members as a result of voluntary land contribution. This is because decisions on land contribution were made voluntarily on landowners' initiatives with good consultation among community members and a relatively small-amount of land area involved in each subproject. In fact, voluntary land contribution has provided positive impacts on beneficiaries. Facilities are located closer to the beneficiaries and construction after subproject proposal approval is implemented relatively fast as land is easily available.

9. The process of obtaining land through land contribution is as follows: (a) the KSM submits a proposal to the BKM for review and approval. One item included in the proposal, in some cases, is identification of land needed and how the land will be obtained. In the case that the proposed subproject requires land, the proposal already identifies that land is available through contribution from member(s) of the community. (b) the BKM and the project staff (facilitators) verify in the field and ensure that the land contributors have voluntarily agreed to donate his/her/their land for the proposed subproject. They also ensure that land contribution is made through participatory mechanisms. In many cases, the BKM and facilitators participate in the community meetings discussing the land contribution for a particular subproject. The BKM and project staff obtain a statement letter (attached to the proposal) signed by the community member(s) who donate the land and witnessed by the chairperson of the community ("kepala dusun") or head of village, and by other witnesses. The letter contains, among others, name and address of land contributor(s); location and land area donated; the purpose of land donation. (c) once the subproject proposal is approved by the BKM, the land owner who contributes the land points out the site on the ground where to build the facility.

B. Land acquired through compensation

10. In the case that land is obtained through compensation, the process is as follows: (a) the KSM submits a proposal to the BKM for review and approval. The proposal already mentions that the land will be obtained through cash compensation. Usually land obtained through this scheme is an area that is irreplaceable by another area because of specific needs and the landowner most likely does not get a direct benefit from the facility. The Bank observed this as the case for a water reservoir facility that located close to a water spring. Beneficiaries discussed and negotiated with the landowner, and agreed with the compensation level. (b) community

members then discuss and agree upon how the compensation will be shared among them. (c) community pays the compensation to the land owners; (d) the BKM and the facilitators verify the process and land availability prior to approval of the proposal. (e) the BKM obtains the transaction letter for the land from the community and it is attached to the proposal.

C. Land provided by the local government

11. In a few cases land is provided by the local government. The Bank noted that the local government provided state land for a public facility financed jointly between the local government and the project grants. The subproject proposal was prepared together between the BKM and the local government and submitted to a selection committee at the local government level. The OC and the selection committee (consisting of representatives of relevant local agencies and of BKMs) verify the availability of land.

Documentation of land acquisition process at subproject proposal stage

12. Despite the small amount of land acquired and good consultation/negotiation during most of the land acquisition process, documentation needs to be improved. At the KSM and BKM levels: (a) subproject proposals that need land should include a more detailed plan to acquire land; (b) documentation of the consultation/negotiation process and of the agreement on land contribution/transaction needs to be improved. At the BKM and City Coordinator (“korkot”) and OC levels, a more systematic consolidated report on land acquisition needs to be prepared quarterly.

13. Learning from the UPPs’ experiences, as PNPM-Urban is a repeater project of the UPPs, it is expected that PNPM-Urban will have similar situation whereby most subprojects that need land will obtain it through community contribution. In the case that community and local government voluntarily contribute land, OP 4.12 is not triggered. However, documentation of the process will have to be prepared.

14. This documentation will be prepared with reference to the checklist attached to the subproject proposal, which includes information on (a) type and size of investment; (b) site/location; (c) area of land required/acquired; (d) number of land owners affected; (e) scheme of land acquisition; (f) process of land acquisition; (g) financing/source of funds if cash compensation; (h) availability of sufficient agreement on land contribution; (i) certification, if cash compensation; (j) availability of supporting documents (minutes of meeting, attendance sheet, photographs, etc.).

15. In the case involuntary land acquisition takes place, the project will use the land acquisition and resettlement policy framework of UPP 3, which was adopted in the UPP 2 AF and PNPM Urban-I and AF. Should any subproject involve any land acquisition or resettlement that triggers OP 4.12, this policy framework provides procedures and guidelines for agreeing on compensation for those persons who are affected by the subproject in order to ensure that they are not unfairly treated by being given low compensation, or benefit unfairly by being given compensation that is significantly higher per square meter than other owners who sell similar nearby land on the free market.

II. Definitions

16. The definitions used in this Policy Framework are:

- a. "Census" means the head count of those persons under a proposed Subproject that qualify as Displaced Persons. The date of the Census is the latest cut-off point to record the persons in the Subproject area that will receive compensation, resettlement and/or removal and rehabilitation assistance.
- b. "Compensation" means the compensation at replacement cost as determined in Section V of this Framework given in exchange for the taking of land and building, in whole or in part, and all fixed assets on the land and buildings and crops and trees.
- c. "Land acquisition" means an activity that requires obtaining land, buildings or other assets from Displaced Persons for purposes of the subproject against provision of compensation and assistance.
- d. "Displaced Person" means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person, and "Displaced Persons" means, collectively, all such Displaced Persons.
- e. "Physically Displaced Persons" means persons who are forced to move from their previous location because (i) all or a significant portion (50% or more) of their land or buildings are affected by the subproject; or (ii) less than 50% of their land or buildings are affected by the subproject if the remaining portion is not economically viable or habitable.
- f. "Rehabilitation Assistance" means the provision of cash or assets or other forms of support to enable Displaced Persons without legal rights to the assets taken by the Project to at least equal or improve their standard of living, income levels and production capacity to the level prior to the project.
- g. "Resettlement" means an effort /activity to relocate the Displaced Persons into a good new settlement as mentioned in section Vb so that they can develop a better life.
- h. "Involuntary Displacement" means any of the following actions, when they occur without the Displaced Person's informed consent or power of choice; (a) the taking of land resulting in: (i) relocation or loss of shelter; (ii) lost assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the Displaced Person must

move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced.

- i. “Subproject” means a specific infrastructure investment project carried out with funds from the Kelurahan Grant component of the project.

III. Basic Principles

17. Involuntary resettlement may cause severe long-term hardship, impoverishment, and environmental damage unless appropriate measures are carefully planned and carried out. For these reasons, the overall principles for this Framework are the following:

- a. Subproject proposals should minimize land and asset acquisition and involuntary displacement. Groups proposing subprojects should have explored viable alternative designs to minimize displacement.
- b. The group proposing the subproject will use a transparent and participatory process to ensure that all Displaced Persons persons agree on any proposed subproject that involves land acquisition or resettlement
- c. The group proposing the subproject will have to agree to incorporate the costs for land acquisition and/or any involuntary resettlement in their subproject proposals as part of subproject costs. The compensation costs will be covered through the communities’ own funds or government funds (World Bank Loan proceeds shall not be used to finance compensation).
- d. In accordance with traditional practice, community members may elect to voluntarily contribute land or assets and/or relocate temporarily or permanently from their land without compensation. Voluntary in this context will mean the donation or granting of land and other assets with the full knowledge of the purposes for which the asset is being made available and the economic, social and legal consequences that such an act would have on the person providing the asset and which act is exercised freely and voluntarily, without any type of coercion.
- e. Displaced Persons should be assisted in their efforts to improve their livelihoods and standards of the living or at least to restore them, in real terms, to pre-displacement levels or to the levels prevailing prior to the beginning of the project implementation, whichever is higher.

IV. Framework

18. In the event that a subproject proposal requires any land acquisition, buildings, crops, trees, and/or resettlement, the subproject proposals have to indicate the need for land acquisition, the number and names of persons affected, and the estimated budget required for compensation.

19. Proposals that would affect 200 persons or more would normally entail long lead times, and are expected to be beyond the scope of the project. In the highly unlikely event that more than 200 persons will be affected and require compensation, the Oversight Consultant will ensure that the proposal is complemented with a full Land Acquisition and Resettlement Action Plan (LARAP). The LARAP will include (a) a survey to identify the socio-economic characteristics of the Displaced Persons including a census; (b) a comprehensive plan for the acquisition of land and/or resettlement; and (c) a compensation package in accordance with the compensation guidelines set out in Section V and acceptable to the Displaced Persons and the groups proposing the subproject. The subproject proposal will also indicate the budget source for the required compensation (Bank funds cannot be used for compensation). The OC/NMC shall seek the Bank's approval of the LARAP and budget, and seek modifications in case the Bank finds they are needed. Further details on the LARAP are provided in the attachment to this annex.

20. For any subproject that requires resettlement of less than 200 persons, the BKM, supported by the OC staff assisting with proposal preparation, will ensure that the following steps are followed:

- a. The group proposing the subproject carries out a Census of the persons that would be affected by the proposed subproject and that would qualify as Displaced Persons
- b. The Displaced Persons agree on the subproject proposal, and have negotiated agreement on either voluntary or compensated contribution with the group proposing the subproject
- c. The agreement is made through a participatory and transparent process
- d. Displaced Persons are made aware that they have the right to compensation and/or other assistance according to the compensation guidelines provided in Section V
- e. In cases where voluntary contributions of land or assets are indicated, these are clearly agreed with all Displaced Persons; the name(s) of the contributor(s) and details of the contribution(s) are included in the agreement; and these are verified by the Oversight Consultants.
- f. A simple format on the agreement is incorporated in the subproject proposal. This agreement should clearly indicate individual land plots needed for land acquisition and/or resettlement, the number and names of the affected persons, scheme of compensation and/or resettlement, and estimated cost for land acquisition and/or resettlement compensation. In the case of voluntary contribution, the agreement should state the rationale for it and the fact that the person had the choice of not providing the asset, and in the case of involuntary contribution, the manner followed for valuation of the assets which must be in compliance with Section V below.
- g. The agreement should indicate that any compensation will come from the community's or government's contribution to the subproject. It would be possible to use World Bank Loan proceeds to construct small works and initiate employment opportunities for the group members who are to be resettled. This has to be agreed by the group proposing the

subproject and put in the agreement (see assistance guidelines in Section V). However World Bank Loan proceeds cannot be used to finance payment of cash compensation or land acquisition.

- h. The details of the agreement will be verified by the OC/facilitator in charge of the affected communities prior to consideration by the BKM for financing. In the event that no consensus has been reached on the form and amount of compensation, the subproject will not be considered for financing.
- i. No Displaced Persons shall have their land or other assets taken before they have received the compensation and provided the resettlement site, if that is the case, as agreed upon and detailed in the subproject proposal.
- j. Payment of compensation, displacement of people, or preparation of a resettlement site as agreed upon should be completed before the construction of the respective subproject is started.
- k. A monitoring and evaluation system for compensation will be introduced to ensure that Displaced Persons have received their compensation as agreed upon. The monitoring will be undertaken by the Oversight Consultant and will be a full survey or sample survey depending on the number of households affected. A report on the results and recommendations will be published by the OC and disseminated to the community and the NMC

V. Guidelines for Compensation, Resettlement and Other Assistance

21. Based on agreements reached during the negotiation, Displaced Persons can choose to receive cash compensation, resettlement, or other options. Other options include serviced sites, land [swap] of equal size or equal productive capacity, low cost housing, apartments, real-estate housing with credit facilities, or other schemes. Among those options, Displaced Persons will be provided the opportunity of having a resettlement site where they do not have to pay more than their present routine expenditure. In all cases, the amount of compensation, resettlement or other options must be sufficient to achieve the objectives of improving or at least maintaining the pre-project level of standard of living, income generation and production capacity of the Displaced Person.

A. Compensation

22. Displaced Persons have the right to receive real replacement cost compensation. Real replacement cost means:

- a. For land in urban areas, the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes;

- b. For agricultural land, the pre-subproject or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of land preparation to levels similar to those of affected land, plus the cost of any registration and transfer taxes;
- c. For houses and other structures, the market cost of the materials to build a replacement structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor the value of benefits to be derived from the subproject deducted from the valuation of an affected asset. Compensation for trees, crops and other assets will be based on the replacement value using existing market prices per tree prepared by relevant agencies.

23. The extent of the compensation will depend on the tenure situation of the Displaced Person as set out in Section VI.

24. Displaced Persons whose: (a) remaining land and building cannot be used for housing or workplace; or (b) whose remaining land is less than 60 sq meters; or (c) whose remaining agricultural land is less than 50% of its initial size or is not economically viable; or (d) whose remaining building is less than 21 sq meters; have the option of being included as Physically Displaced Persons and compensated for the taking of the affected asset. Displaced Persons whose remaining land is less than 60 sq meters and remaining building is less than 21 sq meters, will have an option to move to a new lot of 60 sq meters and building of 21 sq meters. They will be provided with compensation for the difference in area between what they lost and what is being provided to them.

B. Resettlement Sites

25. The resettlement site provided for the Displaced Persons will include infrastructure and public facilities so that it is good for living and enables the development of a good social and economic life, including: (a) road or footpath as necessary; (b) drainage system; (c) water supply (if a piped water distribution network is not available, there should be shallow wells that comply with health standards); (d) electricity; (e) health facility, education facility, work places, religious services, and sport facilities, in accordance with the size of the new community; and (f) public transport facility to perform a good life.

26. The Displaced Persons will move to the new site after the infrastructure and facilities at the resettlement site are completed and feasible to live in as confirmed by the OC and the BKM. The Displaced Persons will be informed of the completion of the resettlement site at least one month before displacement, and they will be invited to survey the new site. The resettlement site would be available prior to the start-up of works under the relevant subproject.

27. The location reserved for resettlement will be widely publicized so that the general public will be informed.

C. Other Assistance

28. Displaced Persons who lose their income sources or means of livelihood as a result of the subproject will receive assistance to restore it. The types of assistance will be defined by the BKM and confirmed by the OC. Training and assistance that can be provided include: motivation development; skill and vocational training; assistance to start and develop small businesses; small scale credit; marketing development; assistance during transition period; and strengthening of community based organization and services. In implementing the assistance, care should be taken to harmonize the newly resettled people and the host community in the resettlement area through assistance and integration efforts. The assistance can be linked to existing programs and resources.

VI. Eligibility Criteria of Displaced Persons

29. Displaced Persons can be grouped into the following categories: (a) those who have legal land certificate, girik, or adat title; (b) those who, under domestic law, have a right to occupy land in a residential, commercial, or industrial zone in the Project area, or occupy land on infrastructure or public facility sites such as rivers, roads, parks or other public facilities in the Project area, but do not hold a certificate or legal title; (c) those who have no right to occupy land in a residential, commercial or industrial zone in the project area or publicly owned land and publicly owned facility sites but who were occupying such land at the time of the Census undertaken or at the time of the pre-feasibility study of the subproject; (d) those who are renters; (e) those whose jobs are lost because of the taking of land; and (f) those who have no right to occupy land in a residential, commercial or industrial zone in the project area, or publicly owned land and publicly owned facility sites and whose occupancy of such land begins after the Census. Compensation will differ according to these groupings.

a. Persons with Land Certificate, Girik or Adat Title

- Displaced Persons who have land certificate, girik, or adat title will receive compensation for the land, building, and fixed assets.
- Displaced Persons who are displaced by the Project can choose to receive cash compensation or the other options as described in paragraph 21.
- The lots at the resettlement site will have land title of the same level or higher than they previously had, and the certificate will be issued within 1 year after displacement of the Displaced Persons.
- Displaced Persons will receive transport allowance to move their belongings.
- Displaced Persons will also receive assistance and training as provided in paragraph 28.

b. Persons who under domestic law have recognized rights to occupy land in a residential, commercial or industrial zone in the Project area but who do not hold a Land Certificate or legal documents, as well as those who occupy publicly owned land and publicly owned facility sites under customary rights at the time of the Census:

- Displaced Persons will receive compensation for their land, building and fixed assets, as well as for crops and trees at market value

- Displaced Persons can choose to receive cash compensation or the other options as described in paragraph 21.
 - The lots at the new site will have Hak Pakai or a higher land title, and the certificate will be issued within 1 year after the displacement.
 - Displaced Persons will receive transport allowance to move their belongings.
 - Displaced Persons will also receive assistance and training as provided in paragraph 23.
- c. Persons who have no right to occupy land in a residential, commercial or industrial zone in the project area or publicly owned land and publicly owned facility sites in the project area, but who were occupying such land at the time of the Census undertaken or at the time of the pre-feasibility study of the subproject:
- Displaced Persons will receive rehabilitation assistance in any of the forms provided for in paragraph 21 instead of compensation for the land occupied in an amount sufficient to achieve the objectives of this Framework, and compensation at real replacement cost for the building, and fixed assets as well as for crops and trees at market value
 - Displaced Persons can choose to receive cash compensation or the other options as described in paragraph 21.
 - The lots at the new site will have Hak Pakai or a higher land title, and the certificate will be issued within 1 year after the displacement.
 - Displaced Persons will receive transport allowance to move their belongings.
 - Displaced Persons will also receive assistance and training as provided in paragraph 21.
- d. Persons who are renters:
- Displaced Persons who are renters will be assisted with an allowance of six months rent calculated on the basis of average rent levels for similar houses or agricultural land within the same area.
 - Displaced Persons who are renters will also receive assistance and training and transport allowance to move their belongings
- e. Persons whose jobs are lost because of the taking of land where they work and gained their income will be assisted with the forms of assistance described in paragraph 2
- f. Persons who have no right to occupy land in a residential, commercial or industrial zone in the project area or publicly owned land and publicly owned facility sites and whose occupancy of such land begins after the Census will receive no compensation or rehabilitation assistance for the land or for the structures built and crops planted therein.

VII. Consultation and Complaint Resolution

30. This general framework will be included in the Project manuals and guidelines, and OC staff and facilitators trained in its implementation. The overall project approach in enabling transparency and consultation should allow solutions to local problems locally, quickly, and effectively. If any Displaced Persons or other community members have a complaint regarding the framework or its application in practice, the project has an established system of complaint

handling at the kelurahan and kota/kabupaten as well as provincial and national levels, with dedicated staff in charge of handling and following up on complaints. Complaints which cannot be solved locally through the BKM complaint system will be referred to the OC, and, if necessary to the NMC and the PMU. However, in the event that the deliberations have been repeatedly conducted over a long period of time, but not exceeding one year, to reach a consensus but no consensus has been reached on the form and amount of compensation, dispute resolution will follow Presidential Decree No. 36/2005 and No. 65/2006 as well as the BPN regulation No. 3/2007.

31. The progress of implementation of any required land acquisition, resettlement, and assistance will be reported to the Bank regularly by the OC/NMC. If required, an independent reviewer may be retained to carry out external monitoring and evaluation of the implementation of specific LARAPs. Such an agency or agencies will have qualified and experienced staff and terms of reference acceptable to the Bank.

Attachment 1
INDONESIA: Second National Program for Community Empowerment in Urban Areas
(PNPM Urban-II)

Requirements for a Land Acquisition and Resettlement Action Plan (LARAP)
for subprojects under the Poverty Alleviation Partnership Grant
affecting more than 200 persons

1. If a subproject proposal indicates that more than 200 persons will be affected by the subproject, the groups proposing the subproject (BKMs), assisted by the Oversight Consultant, will be required to conduct a Census and socio-economic survey to: (i) determine the number of persons involved; (ii) to collect data about the social and economic condition of the people, and the physical condition of the Project area; and (iii) to determine the potential impact of the subproject.
2. The date of this Survey/Census will be the latest cut-off point to record the persons in the subproject area that will receive compensation, resettlement and/or removal and rehabilitation assistance.
3. The detailed census and socio-economic survey (hereafter referred to as the socio-economic survey) will cover among others:
 - the size, condition, legal status of land and buildings (listed in impact groups of 0-25%, 25-50%, 50-75%, 75-100% affected);
 - the number of Displaced Persons and households;
 - relevant social characteristics of the Displaced Persons (age, gender, education, etc)
 - relevant economic characteristics of the Displaced Persons such as livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities); standards of living (including health status)
 - the magnitude of the expected loss – total or partial – of assets, and the extent of displacement, physical or economic; and
 - information on vulnerable groups or persons for whom special provisions may have to be made
4. Based on the results of this socio-economic survey, the Oversight Consultant will assist the BKMs to prepare a comprehensive plan on the taking of assets for purposes of the subproject, and the provision of compensation, resettlement, and rehabilitation assistance for the Displaced Persons in accordance with the principles of this Policy Framework. This will be described in a Land Acquisition and Resettlement Action Plan (LARAP) to be furnished to the Bank for approval.
5. The scope and level of detail of the LARAP will vary with the magnitude and complexity of the resettlement. The plan will be based on up-to-date and reliable information about: (a) the

proposed resettlement and its impacts on the Displaced Persons and other adversely affected groups; and (b) the legal issues involved in resettlement. The following list defines the matters that should normally be included LARAP and it should be regarded as general guidance in the preparation of a LARAP. When any matter listed is not relevant to Project circumstances, it should be noted in the resettlement plan:

a) Description of Subproject Impact and Analyses

- Description of the subproject and identification of the subproject area.
- Identification of: (i) the subproject component or activities that give rise to resettlement; (ii) the zone of impact of such component or activities; (iii) the alternatives considered to avoid or minimize resettlement; and (iv) the mechanisms established to minimize resettlement, to the extent possible, during implementation.
- The main objectives of the resettlement program
- The findings of the socioeconomic studies
- The findings of an analysis of the legal framework
- The findings of an analysis of the institutional framework
- The definition of Displaced Persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates

b) Methodologies and Procedures

- The methodology to be used in valuing losses to determine their replacement cost; a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve the real replacement cost for lost assets
- A description of the strategy for consultation and participation of resettlers and hosts in the design and implementation of the resettlement activities including;
 - A summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
 - A review of the resettlement alternatives presented and the choices made by Displaced Persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individuals families or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property;
 - Institutionalized arrangements by which displaced people can communicate their concerns to Project authorities throughout planning and implementation, and
 - Measures to ensure that groups such as isolated vulnerable people, the landless, and women are adequately represented.

c) Compensation Package

- Description of the packages of compensation and other resettlement measures that will assist each category of eligible Displaced Persons to achieve the objectives of the Policy Framework. Compensation will be calculated based on Section V of **Error! Reference source not found.**

d) Alternative Relocation

- Institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites;
- Estimated time needed to acquire and transfer land and ancillary resources;
- Any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;
- Procedures for physical relocation under the subproject, including timetables for site preparation and transfer;
- Legal arrangements for regularizing tenure and transferring titles to resettlers;
- Plans to provide, or to finance resettlers' provision of housing, infrastructure and social services (which ensure comparable services to host populations); and any necessary site development, engineering, and architectural designs for these facilities
- A description of the boundaries of the relocation area; and assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).
- Measures to mitigate the impact of resettlement on any host communities.

e) Implementation of resettlement

- The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services.
- An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance.

f) Costs

- Detailed cost of the full compensation package, resettlement costs and all associated implementation costs
- Identification of sources of financing (Bank funds cannot be used to finance cash compensation or land acquisition.)

g) Monitoring and grievance procedures

- Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Bank.
- Description of grievance procedures

6. There will be regular consultations with all Displaced Persons, and all other stakeholders including non-governmental organizations throughout the design and implementation of the LARAP.

7. The LARAP described above will be prepared by the BKM(s) proposing the subproject, with the assistance of the Oversight Consultants and will thereafter be provided to the Bank through the OC/NMC for approval. Once Bank approval is obtained, it will be issued as a Decree of the head of the district level local government (the Bupati or Walikota). Once the Decree has been issued, it will be disseminated by the OC and relevant government offices to the Project Affect Persons.

8. Issuance of approval for contract signing for a subproject that requires a LARAP will be considered by the Bank after receipt of a progress report from the OC/NMC that indicates substantial implementation of the LARAP, including acquisition of all land in critical locations.

9. The LARAP, including all its maps and annexes, will be publicly displayed at the NMC and relevant OC office, the office of the relevant kelurahan(s), and the office of the relevant BKM(s).