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Sumário Executivo

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PROGRAMA
PROMETROPOLE

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PROMETROPOLE PROGRAM

RESETTLEMENT POLICY

EXECUTIVE SUMMARY

November 2001

1. The PROMETROPOLE Program

Description of the Project and its Components

The Brazil - Metropolitan Recife Favela Upgrading Program – Prometrópole is a Program of the Government of the State of Pernambuco to be carried out in cooperation with various public and private entities of the State and with Municipal Authorities of the Metropolitan Region of Recife.

The Prometropole Program's objective is the improvement of the urbanization pattern of areas occupied by low-income populations located within the Metropolitan Region of Recife. There will be a four components. Implementation will group activities in the three following areas:

Component A:

This component will finance macro level infrastructure investments, as well as construction of urban parks that will benefit the entire population of 500,000 residents in the Beberibe River Basin. Activities in this component will include major access roads and traffic management, macro drainage, ecological and cultural parks and recreations, resettlement for the construction of a road and major investments in the water distribution system in order to create an independent water distribution company in the region.

Component B: Local Infrastructure in Low Income Areas

This component includes integrated activities in the provision of water, sanitation, garbage collection, drainage, street lay out, paving, slope stabilization, resettlement, land tenure regulation, small scale urban real estate, and provision of common spaces within the urban design, among other elements intended for 13 low income areas of the Beberibe River basin.

Component C: Complementary Metropolitan Infrastructure

Component B includes provision of and additions to the metropolitan infrastructure complementing local infrastructure such as sewage treatment plants, sanitary landfills, and social development related infrastructure, etc.

Component D: Studies and Organizational and Community Development

Component C is designed to improve the skills of employees in public institutions and community organizations so that together with private entities, they are capable of producing the necessary urban infrastructure and providing the public services needed in low income areas.

The main elements of the institutional arrangements being considered for implementation of the program are a Program Management and Inter-institutional Link Unit (UGP), an Implementation Management Group (Coordination of the UGP) with the support of a specialized consultant group and a central working group of the municipal governments of Recife and Olinda.. Local offices will carry out the implementation of municipal local and state projects in low-income areas, guaranteeing local management that will be supported by consultants.

The Program entails resources of around US\$100 millions, of which US\$ 55 millions financed by the World Bank, is being prepared for execution over a five-year period, divided into two phases. A monitoring system will give the program management some implementation flexibility in conformance with prepared plans. Periodically the impacts on and satisfaction levels of the beneficiaries of the PROMETRÓPOLE program will be evaluated.

2. Resettlement Component in the Prometropole Program

As mentioned in the earlier part, the objective of the Prometropole Program is to improve the urbanization pattern of the poorest neighborhoods of the Beberibe river basin, located in the Metropolitan Region of Recife, by providing to these areas with basic infrastructure. Seen from the urban development perspective, the main current characteristics of these areas are: illegal occupation of public land, land with unfavorable topography; occupancy with no urban planning (principally with respect to its topography); high demographic density; absence of infrastructure and basic services (paths, drainage, water, waste, public services such as schools, childcare centers, leisure areas, etc.); areas highly susceptible to the risk of landslides and/or floods.

Resettlement is necessary for the realization of the Prometropole Program because of a. high-risk situations (such as homes built on slopes subject to collapse and areas of flooding); b. particularly precarious homes on the edges of rivers and canals (subject to very frequent flooding events and to a extreme contamination situation, due to fact that the canals are open-air sewer ducts and a solid waste disposition site); and c) in some few cases, to provide rights-of-way for infrastructure.

2.1. Logic of population resettlement in the Prometropole Program

The Resettlement Component of Prometropole Program is an important element of the design of this Project. All of the potential solutions for resettlement are included in the proposal for urban improvement of these areas. The land and housing solutions for resettlement will be located within the neighborhood borders of the same neighborhoods, in places not yet in use or to be created through improvements introduced by the project. The people affected by resettlement will also be beneficiaries of the investments in improved basic urban infrastructure and the services deriving from this redevelopment. In truth, those resettled are the ones who will receive the greatest direct benefit of the project. Beyond the investment in basic infrastructure, they also benefit from a housing program that gives them access to a “risk-free” home which meets livability norms, and which are supplied with basic services.

Despite the World Bank policy that prescribes that the necessity for resettlement should be reduced to the greatest degree possible, it has been found that the greater the number of resettled people in projects designed for improving the urbanization pattern of poor areas, the greater is the degree of urban improvement that the project is introducing into these areas (excluding no families from the benefits of the Bank-financed intervention). Unfortunately budgetary limitations of the projects also define the limits with respect to the degree of modification that the project can introduce into the area. Due to the high cost per family resettled (even on the ‘in-site’ resettlement solution), this activity tends to be limited in order to permit the project to offer basic infrastructure to the greatest number of families possible. As a consequence, under the project urban improvement design guidelines, the risk criteria and the minimum acceptable urban living pattern tend to be bent and, in consequence, many families remain in housing that does not offer desirable adequate living conditions.

2.2. Implementing Resettlement of the Prometropole Program

In this phase of program preparation, a preliminary participatory urban improvement design, including several community consultation events, was prepared for the urbanization of two 'pilot' areas (Passarinho and Campo Grande) of the expected total of 13 that will benefit from the project during the estimated five years of its implementation. The objective of this preliminary participatory urban design was to permit estimates of the needs of the areas for basic infrastructure, the costs of this infrastructure, and resettlement requirements.

The detailed engineering designs that will give precise information about the urban improvement intervention in these areas, including housing relocation and resettlement needs, will be developed during the execution of the project only.

In order to design the resettlement program, during the project preparation phase, under the preliminary participatory urban design preparation process for the two areas, the following key information were raised: the identification of potentially affected families, the socioeconomic profiles of these families, the identification of available areas in the neighborhoods, alternatives for compensation and resettlement, the resettlement costs, the profile of the technical team for implementing the resettlement component. Under this participatory design, an appropriate environment also was created for permitting meaningful consultation meetings with either the whole community and the potentially people affected by resettlement.

3. Estimate of the number of families to be resettled

Based on other interventions of the same type as Prometropole previously undertaken in poor areas of the Recife Metropolitan Region as well as in other Latin American cities, through mainly World Bank and IDB financed interventions, it is estimated that of the 156,000 people (35,000 families) directly benefited by urbanization works of Prometropole, around 5% (1,780 families) should be relocated and resettled.

In the two pilot areas, Passarinho and Campo Grande, the resettlement estimates are for: 70 families, corresponding to 4% of the total number of families in the first area (due nearly exclusively to the risk of landslides); and 340 families in the second area corresponding to 17% of total families (due principally to the wretched conditions of housing along the margins of the canal). These two areas have been chosen because they represent the two type of areas to benefit from the project in the Beberibe river basin – Passarinho is a hilly area and Campo Grande a flat one.

4. Family socio-economic profiles

Through consultations with the population and socio-economic research in the two pilot areas, it is known that more than 90% of the families subject for potential resettlement are "owners" (they constructed or bought their homes, but do not possess a legal property title) of the building in which they live. Only around 3% of the families cohabit with one or more families in the same house, and around 1% pay rent. Only 1% of the potentially affected buildings house small commercial activities.

More than 90% of the houses have an area of less than 40 m², the material is predominantly wood or other improvised material, and a significant percent (50% in Campo Grande) have no bathrooms. The water and sewer services, when they exist, are largely irregularly connected. Piped city water arrives at the houses generally for several hours two days per week.

Family income is about 1 to 2 Minimum Salaries. Around 80% of the families say they do not have the financial resources necessary to build a new house, while at the same time more than 70% showed a willingness to participate in the construction activities themselves.

The consultation revealed that the most adequate form to meet the needs of the majority of potential resettles is the building of ground level single-family homes. "Do-it-yourself" construction, using kits of construction materials furnished by the Program, enjoys a high degree of acceptance by those affected.

5. Eligibility criteria for consideration of relocation

Those eligible for consideration for relocation are all people/ families from an intervention area of Prometropole that falls within the previously defined categories. The Prometropole Program will take steps to avoid non-eligible people and those who install themselves in an area with the intention of taking advantage of the Program, benefiting improperly from supportive measures of resettlement. For this reason, all the families and their goods within an area subject to relocation will be registered right at the start of the participative planning process with the community. The date registration takes place will be the date limit to determine eligibility for consideration for resettlement. On this same date, the responsible administrative body will apply legal steps to freeze new unplanned housing constructions in the intervention area of Prometropole for the period stipulated for elaboration and approval of the Urban Plan. "Squatters" arriving after the freeze, contrary to the intentions of the local intervention, will not have the right to demand compensation for loss or resettlement.

It is evident that the control of urbanization and presence after the beginning of intervention planning in areas of Prometropole cannot be carried out by the municipal administration without the active and watchful cooperation of the community. To sensitize the community and its leaders, sensitivity raising and mobilization activities will be developed (meetings, gatherings, etc.), information will be spread and courses offered regarding the urban planning regulations established for the area. The list of people to be resettled or assisted will be made public.

6. Basic methodology for the resettlement component

The table below presents the principle steps for resettlement activities.

Basic Steps for elaboration/ implementation of the Resettlement Plan	<ul style="list-style-type: none"> • Planning and Implementation Activities of the Resettlement Plan
Information gathering	<ul style="list-style-type: none"> • Analysis of maps, aerial photographs and other relevant information for identification of buildings in areas of risk, areas intended for infrastructure and other situations which require relocation; • Identification of free-areas for resettlement housing;
Consultation and Participative Planning	<ul style="list-style-type: none"> • Participative planning and community informed approval for Prometropole intervention on each neighborhood; • Detailed information and discussion about the Prometropole objectives, actions and the resettlement policy; • Detailed information and discussion about situations discovered

	which require relocation;
Planning Workshops	<ul style="list-style-type: none"> • Building consensus regarding decisions to relocate;
Completion of Diagnosis of the area of intervention	<ul style="list-style-type: none"> • Socio-economic research, and review of housing compensation references (preliminary list of affected families), and identification of vulnerable groups; • Consultation with the population on preferences regarding alternatives in resettlement in order to assess the size of needs and measures to adopt. Affected residents identified in the preliminary list will be interviewed. At this moment, those interested in exchanging their homes will be identified;
General Planning Workshop (Proposals)	<ul style="list-style-type: none"> • Presentation of urban planning solutions for resettlement; • Discussion of compensation options with the community, explaining the criteria adopted; • Negotiation and introduction of adjustments agreed upon with the community and those affected;
Elaboration of Preliminary Plans	<ul style="list-style-type: none"> • Elaboration of a preliminary plan for resettlement.
Discussion with the Community	<ul style="list-style-type: none"> • Discussion of the resettlement pre-plans with representatives of the community and those affected;
Closing (concluding) the Intervention Plan	<ul style="list-style-type: none"> • Completion of the official list of those to be relocated (registry) and of the evaluation of losses, in conformity with the guidelines of the approved Urban Planning Pre-Plan; completion of consultations with those affected regarding preferences for service; • Completion of the final draft of the Resettlement Plan; • Presentation and approval of the Resettlement Plan by the community and affected families; • Acquisition/ expropriation of the areas designated for resettlement.
Elaboration of Basic Projects	<ul style="list-style-type: none"> • Closing of relocation list, together with information concerning the infrastructure projects; • Contracting for the elaboration of the Basic and Implementation Projects of Urbanization of the resettlement area and housing units; • Presentation of the Projects to the resettlement population; • Timetable for implementation.
Implementation of the Intervention Plan	<ul style="list-style-type: none"> • Convocation of those affected to firm up terms of individual acceptance of compensation for relocation; in case of differences, referral of complaints and protests to the units installed by Prometropole for litigious cases; • Contracting out the infrastructure work of the resettlement areas; • Contracting for construction of the housing units; • Formation of homeowner construction groups and definition of the monitoring process of the work being done; • Monitoring of the processes of acquisition/ substitution and renting of real estate; • Implementation of the indemnification payment process; • Support to families in process of resettlement;
Evaluation	<ul style="list-style-type: none"> • Monitoring of resettled groups for one year;

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| | <ul style="list-style-type: none"> • Final evaluation of the resettlement process. |
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7. Compensation Alternatives

People subject to relocation can be affected by quantifiable losses of ownership (total or partial)¹ and for non-quantifiable losses. Losses will be compensated in accordance with established assistance options. Compensation offered to those affected by relocation is based: a) on consideration of replacement or indemnification of the affected goods, totally or partially; b) on compensation for non-quantifiable loss.

7.1. Relative replacement value

Based on the principle of reestablishing people in their communities and of benefiting principally the neediest residents, the total minimum compensation to be offered to any relocated resident (through goods or, in exceptional and justifiable cases, with money) will be an urban plot and a kit of construction materials for a basic house.

If the property appraisal is greater than the minimum value established by Prometropole, the family to be relocated will have higher referred credit and will be able to choose among several kinds of options such as an urbanized lot with a supplementary material kit, different types of housing/commercial units and the exchange for a house by people interested in moving.

In the case of their choice being greater than their assessed value, they will have the option to pay the difference. In the opposite case of a unit worth less in relation to the given credit, the Program does not plan on asking the family for paying the difference.

The minimal referred value to be offered to relocated individuals (residents/business-owners) is estimated at R\$7,000.00 (value as of October of 2000). Beyond this compensation, the following benefits were established: moving assistance; value of foregone profit, compensation for loss of income (rent for the landlords); value of rent assistance for renters.

7.2. Proprietors/ non-resident owners (who rent out or offer their property/lessors)

In this category, the assigned value corresponds to the appraisal value of the house, commercial or mixed use building, plus the average value of three months of residential and/or commercial rent, paid locally, to compensate for the loss of income. Experience shows that this measure should be valid also for people who give up the use of their place of residence, because the veracity of rental contracts is difficult to prove.

That is:

Assigned value = Appraisal + compensation for loss of rent.

a. Proprietor/Owner

Resident / business resident (mixed use)

¹ Loss of property is total if the remaining area of land is less than 40m² (or 18m² in ZEIS areas – Recife), the property has become inaccessible or its use nonviable. A partial loss of real estate is defined as a reduction in the size of the plot, the loss of part of the building, of improvements, for example, without losing the viability of the use of the remaining part of the property and the remaining area is greater than 40m² (or 18m² in ZEIS areas – Recife).

In this case, the assigned value corresponds to the appraised value of the mixed use property plus compensation corresponding to non-quantifiable losses (Table 1) and also a moving allowance of R\$150.00. In mixed-use cases, the assigned credit is augmented by a sum equivalent to three months of average foregone profit, established locally, or three months of verifiable foregone profit.

That is:

Assigned credit = Appraisal + Compensation for non-quantifiable losses (Table 1) +
Moving allowance (R\$ 150.00) + Compensation for foregone profit.

Residents

For these cases, the assigned credit corresponds to the assessed value for residential use plus compensation provided for non-quantifiable losses (Table 1) as well as a moving allowance of R\$150.00.

That is:

Assigned credit = Assessment + Compensation for non-quantifiable losses (Table 1)
+ Moving allowance (R\$150.00).

Merchants

In this category, the assigned credit corresponds to the assessed value of the business property as well as the moving allowance of R\$150.00 and the equivalent average value of three months of lost profits, established locally, or three month value of verifiable lost profits.

That is:

Assigned credit = Assessment + Moving allowance (R\$150.00) + Compensation for
foregone profits.

Compensation is granted to owners / resident leaseholders for the loss of a second exclusively nonresidential building, with proven use toward family support, applying the same criteria to this second building as in item 50.

b. Tenants and co-occupants

Residents

In this category, the assistance for those resettled corresponds to the average value of one year of rent, established locally, and a housing allowance of R\$ 150.00 for the move.

That is:

Assigned credit = Rent assistance (R\$ 1800.00) + Moving allowance (R\$ 150.00)

Merchants

In this category, the assistance for those resettled corresponds to the average value of three months of foregone profits, established locally, or the verifiable value of the last three months of profit, plus a moving allowance of R\$ 150.00.

That is:

Assigned credit: = Compensation for foregone profit + moving allowance (R\$150.00)

Mixed Use

In the cases of mixed use of a rental property, compensation will be granted composed of rent assistance for housing (see paragraph 52) and foregone profits (see paragraph 53).

That is:

Assigned value = Rent assistance (R\$ 1800.00) + Compensation for foregone profit +
moving allowance (R\$ 150.00)

For a better understanding of the Tables of Assigned Values, we present an example of its application and procedures:

c. Vulnerable Groups:

Vulnerable groups such as single mothers and retired persons in precarious economic situations will receive special assistance for access to housing. Prometropole will assume the costs of building the housing kits.

7.3. Example of the calculation of compensation values:

A hypothetical situation in which there is total loss affecting three types of people in the following way:

- Person "A": owner of registered land, rents out the area (landlord of the area)
- Person "B": tenant of land builds a home on rented land and rents a part of the building to another person for commercial space (land renter, owner/resident of the building and landlord of a part of the building).
- Person "C": Renter of a part of the commercial space for a small business (renter of commercial part of building)

Calculation of values:

The value of credit to be assigned in each case is defined in the following way: (through equivalent goods and/or in money):

(October 2000)			
Person	Credit	Value of Credit (R\$)	Total Value of Credit (R\$)
A	Property assessment (i.e. R\$ 3,000.00)	3,000.00	3,450.00
	Compensation for the loss of rent	450.00	
B	Property assessment (i.e. R\$ 5,000.00)	5,000.00	9,600.00
	Compensation for non-quantifiable losses	4,000.00	
	Compensation for the loss of rent	450.00	
	Moving allowance	150.00	
C	Compensation for foregone profit (small business)	1,500.00	1,650.00
	Moving allowance	150.00	
GENERAL TOTAL OF CREDITS (R\$):			14,700.00

The total value of assigned credits thus selected indicates the total cost for the relocation of the occupants of the building.

7.4. Example of Assigned Credit Values

1. Proprietors/owner landlords

(a) land with and without a building

(October 2000)

Value of assessed property (land and/or building)	Compensation for loss of rent (3 months of average local rent, residential and/ or commercial)	Assigned credit Total Value
Evaluation	R\$ 450.00	Assessed Value + R\$ 450.00

Note: Land can only be expropriated with registered and current documentation.

2. Proprietors / leaseholders

(a) Residents / commercial residents (mixed use)

(October 2000)

Value of assessed property (land and/or building)	Compensation for non-quantifiable losses	Assigned credit Total Value
R\$1.00 to R\$ 3,000.00	Variable	R\$ 7,000.00 + Comp for foregone profit + moving allowance
R\$ 3,001.00 to R\$ 4,000.00	Variable	R\$ 8,000.00 + Comp for foregone profit + moving allowance
R\$ 4,001.00 to R\$ 5,000.00	Variable	R\$ 9,000.00 + Comp for foregone profit + moving allowance
R\$ 5,001.00 to R\$ 6,000.00	Variable	R\$ 10,000.00 + Comp for foregone profit + moving allowance
Over R\$ 6,000.00	R\$ 4,000.00	Assessed Value + R\$ 4,000.00 + Comp for foregone profit + moving allowance

(b) Residents

(October 2000)

Value of assessed property (land and/or building)	Compensation for non-quantifiable losses	Assigned credit, total value
R\$ 1.00 to R\$ 3,000.00	Variable	R\$ 7,000.00 + Moving allowance
R\$ 3,001.00 to R\$ 4,000.00	Variable	R\$ 8,000.00 + Moving allowance
R\$ 4,000.01 to R\$ 5,000.00	Variable	R\$ 9,000.00 + Moving allowance
R\$ 5,000.01 to R\$ 6,000.00	Variable	R\$ 10,000.00 + Moving allowance
Over R\$ 6,000.00	R\$ 4,000.00	Assessed value + R\$ 4,000.00 + Moving allowance

(c) Merchants

(October 2000)

Assessed property value (land and/or building)	Assigned Credit Total Value
Assessment	Assessed Value + Compensation for foregone profit + Moving allowance

Note: Land plots can only be expropriated with registered and updated documentation.

3. Occupants / cohabitants

(a) Resident

(October 2000)

Rent Assistance	Moving allowance	Assigned Credit

		Total Value
R\$ 1,800.00	R\$ 150.00	R\$ 1950.00

(b) Merchant

(October 2000)

Compensation for foregone profit	Moving allowance	Assigned credit Total Value
Variable	R\$ 150.00	Variable = R\$ 150.00

(c) Mixed

(October 2000)

Rent Assistance	Final profit compensation	Moving allowance	Assigned credit Total Value
R\$ 1,800.00	Variable	R\$ 150.00	Variable + R\$ 1,950.00

Compensation for loss of rent**R\$ 450.00****Compensation for lost profit:****Mean Local Value of Profit**

Foregone monthly for three months

Least busy area: R\$ 1,500.00

Busiest area: R\$ 2,000.00

Note: In cases where accounted documents are presented which provide proof that foregone profits exceeded the defined average, the redefined value will be multiplied by three to determine compensation.

Rent assistance:

Mean monthly local rent X 12 months: R\$ 1800.00

Moving allowance:

R\$ 150.00

Assistance Options – total loss

Situations affected	Response options
(a) Lessees (who rent or provide) (a ₁) of land (a ₂) of the building (residential, commercial or mixed use) (a ₃) of lands and building (residential, commercial or mixed use)	1. Indemnification in cash according to the property assessment and table of assigned credit.
(b) <u>owners/ leaseholder-residents or merchants</u> (b ₁) of land (b ₂) of building (residential, commercial or mixed use) (b ₃) of lands and building (residential, commercial or mixed use)	1. Indemnification in cash, for expropriations of land according to property assessment 2. Urban lot and building kit (Kit built or not, according to assigned credit value) 3. Living unit/ mixed use to be constructed/ provided by the Program; acquisition of additional financing in case the assigned credit is insufficient. 4. Exchange of property locally or in another place, acquisition of supplementary financing where assigned credit is insufficient.

	5. Indemnification in cash according to property assessment and assigned table of values, as given in paragraph 51.
(c) Tenants and cohabitants (paying rent or not) (c ₁) residents and co-inhabitants (c ₂) merchants (c ₃) mixed (living and business)	1. Assistance identifying another residence or commercial property according to the table of credit values. 2. Urban lot and building kit; payment of the difference between compensation given and the price of the lot or the kit.

Assistance Options – partial loss

Situation affected	Assistance options
(a) Lessees (who rent or give access) (a ₁) of land (a ₂) of the building (residential, commercial or mixed use) (a ₃) of the land and building (residential, commercial or mixed use)	1. Indemnification in cash for the part affected according to the property assessment, and eventual compensation for loss of rent, according to the table of assigned values. 2. Indemnification in cash for total loss based on the property assessment, without right to compensation for loss of rent.
(b) Owners/ resident leaseholders or merchants (b ₁) of land (b ₂) of the building (residential, commercial or mixed use) (b ₃) of the land and building (residential, commercial or mixed use)	1. Indemnification in cash for the part affected according to the property assessment, and eventually proportional compensation for the loss of rent and/or foregone profit, according to the table of assigned values. 2. In case of non-acceptance for partial loss, the case can be considered a total loss, if the remaining building can be exchanged with another relocatee.
(d) tenants and cohabitants (paying rent or not) (c ₁) residents and cohabitants (c ₂) merchants (c ₃) mixed (residential and commercial)	1. Support in renting other living or commercial space, according to the payment scale 2. Urban lot and construction kit; payment of the difference between the compensation supplied and the price of the lot or the kit.

8. Description of the mechanisms for protests and complaints

People who feel wronged or not adequately compensated, have several alternatives for protesting and complaining. First, the technical resettlement team that works out of the local office close to the home of the complainant is trained, along with the community representatives (COMUL, Committee), to clear up doubts or request for reassessments of losses caused by relocation. Furthermore after exhausting all possibilities of an amicable resolution with the team, complainants can pursue the reconciliation council. This group will be created within the management structure of municipal projects. As a last resort, the person affected by relocation can appeal to the justice system.

In case of disagreement, the local government/state, will escrow the value in dispute of the assigned credit under the two following circumstances:

- In the case of improvements made in public land:

- The public authority will repossess through legal action, land occupied by squatters
- In the case of private property:
 - Through a legal expropriation action, with a request for escrow deposit of the value assessed and consequent application of the right of eminent domain.

9. Flow and sources of financing for resettlement

A first estimate of resettlement costs encompassed by Prometropole is based on the following suppositions:

- All of those affected by relocation opt for "equivalent value (property)": i.e. urban lots, building kits, housing units provided by PROMETROPOLE, etc. This way they are able to take full advantage of the infrastructure to be provided.
- By the category of those impacted by relocation, the following distribution is estimated: 85% for homes, 10% for mixed-use property, and 5% for commercial property.
- Estimation and experience with recent relocations in the Metropolitan Region of Recife (RMR) show that the average value of assigned credit is around R\$ 11,000.00.
- Land parcels produced by urbanization from an area or areas remaining will be available for public projects of public housing programs.

Not included in this estimate are the costs of training the team responsible for the implementation of the resettlements, and with monitoring and final evaluation of the whole process. These will be covered through budgeted costs of the management consultancy for Municipal Projects and by anticipated costs for budgetary control and capacity building (compare with the Financial Plan of PROMETROPOLE).

Budget source for Resettlement Costs

October 2000				
Description	Unit	Unit price (R\$)	Quantity	Total in Reais (1,000)
Property assessment	Expert report	150.00	3,000	450
Registry / notarized seals (interns; includes Tabulation)	Family	3.00	35,500	140
Socio-economic research on relocates (interns, includes tabulation)	Family	10.00	3,000	30
Questionnaire/ consultation with the populace on assistance policy	Interview	5.00	3,000	15
Average credit per relocation (compensation with lot and housing unit)	Family	11,000.00	2,400	26,400
Resettlement Cost				R\$ 27,035
Total costs in US\$ (Exchange rate: 1,85)			US\$ 14.6 millions	

Loans from the World Bank along with matching funds from the Government of the State of Pernambuco provide the funding for resettlement. This is the same source as those for the other activities of the project. The percentages for financing resettlement also will be the same as those adopted for consultancy and public works applied to the rest of the project. The manner in which resettlement resources are handled is determined by the nature of the project that considers

resettlement as only one of the activities making up the intervention program for slum urbanization. This way, resettlement will be included within the planning contracts of the slum intervention program. In other words, the same financial reimbursement percentages can be applied to consultancy and public works related to resettlement which are being used for the other consultancies and public works, percentages that generally vary between 85% and 45% respectively.

As in other projects, one can also use, as an incentive to move resettlement activities along, greater reimbursement percentages specifically for these activities, even if they are included in contracts containing other activities.

10. Institutional Responsibilities and Relocation Assistance

Planning and monitoring of the resettlement process are the responsibility of the municipal governments participating in Prometropole, and will be carried out by the team making up the Management Unit of the Project within the implementing bodies of the program.

This team, made up of professionals representing the implementing institutions, will be supported by a consultant firm contracted to provide management supervision. The principal objectives of this consultancy are to: a) technically strengthen the executive team (due to prior experience with project implementation with international financing which this company will have); and b) guarantee the continuity and the fulfillment of conditions and timelines (schedules). Experience in implementation of projects having international financing shows that changes in public administration (i.e. elections) create difficulties for the fulfillment of agreed upon projects and that the retention of a management company increases the possibilities of these agreements being fulfilled. The management team will include technical personnel from all the areas of specialization necessary for the project, such as engineering, finance, social work and resettlement specialists, etc.

The resettlement component also includes provision of legal assistance – offering technical support in cases of purchasing, selling or renting, for example, in numbers sufficient to assist those affected by relocation. If necessary, a team of social workers will help those relocated to find solutions to whatever problems arise regarding access to schools, access to health care and for moving. All support will be made available before, during and for at least a year after relocation, including special assistance for vulnerable groups. At the completion of relocation, the resettled families will hold a document that guarantees their right to possession of their land.