

**Sri Lanka Agriculture Sector Modernization Project  
Resettlement Policy Framework**



**Ministry of Primary Industries and Ministry of Agriculture  
Government of Sri Lanka**

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(Updated June 2020 to incorporate changes due to Project  
Restructuring)**

## ACRONYMS

ASMP	Agriculture Sector Modernization Project
CARP	Council for Agriculture Research and Policy
CBO	Community Based Organization
DDR	Due Diligence Report
EM	Entitlement Matrix
FO	Farmer Organizations
GoSL	Government of Sri Lanka
GRM	Grievance Redress Mechanism
IDA	International Development Association
IDP	Internally Displaced Persons
IEE	Initial Environmental Examination
IP	Indigenous People
LGA	Local Government Authority
LA	Land Acquisition
LAA	Land Acquisition Act
MGP	Matching Grants Program
MGS	Matching Grants Secretariat
MLAR	Management of Land Acquisition and Resettlement
MOA	Ministry of Agriculture
MPIEA	Ministry of Plantation Industries and Export Agriculture
MMAIRD	Ministry of Mahaweli, Agriculture, Irrigation and Rural Development
NIRP	National Involuntary Resettlement Policy
NGO	Non-Governmental Organization
OP	Operational Policy
OM-MGP	Operational Manual of the Matching Grant Program
PAA	Project Approving Agency
PAP	Project Affected Persons
PAH	Project Affected Households
PCG	Partial Credit Guarantee
PDO	Project Development Objective
PFI	Participating Financial Institutions
PMC	Project Management Committee
PMU	Project Management Unit
RAP	Resettlement Action Plans
RPF	Resettlement Policy Framework
SMF	Social Management Framework
SSR	Social Screening Report

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## Glossary

**Affected Persons:** Any person, group, community, people who, as a result of the implementation of project affected by loss of the right to own, use or otherwise benefit from land (residential, agricultural, commercial), water, livelihood, annual or perennial crops and trees, a built structure, or any other fixed or movable assets, either in full or in part, permanently or temporarily.

**Census:** Complete enumeration based on household questionnaire survey that covers all affected persons, irrespective of ownership and entitlement, and their assets. It can be used to minimize fraudulent claims made by people who move into the project affected area in the hope of being compensated or resettled.

**Compensation:** Payment in cash or in kind for an asset or a resource that is acquired or affected by a project, at the time the asset needs to be replaced.

**Cut-off date.** The ‘date of the start of the census survey’. The cut-off date will be publicly announced and provided in all the RAPs. The Cut-off date for eligibility for entitlement for the titleholders however, is the date of notification under the Land Acquisition Act (LAA). Persons who encroach on the area after the cut-off-date are not entitled to claim compensation or any other form of resettlement assistance.

**Encroacher:** Someone who has illegally expanded, or extended the outer limit of his private premises beyond the approved building line or agricultural land and has occupied public space beyond his/her plot or agricultural land.

**Entitlement:** A variety of measures comprising compensation, income restoration, transfer assistance, income substitution, relocation and other benefits which are due to affected people, depending on the nature of the their losses, to restore their economic and social base.

**Gender Equity:** Recognition of both genders in the provision of entitlements, treatment and other measures under the Social Management Action Plan or Resettlement Action Plan.

**Indigenous People:** “Indigenous Peoples” is used generically to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics to varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language, often different from the official language of the country or region .

**Involuntary Resettlement:** Resettlement is involuntary when it occurs without the consent of the displace persons or if they give their consent without having the power to refuse resettlement.

**Income Restoration:** Re-establishing income sources and livelihoods of people affected.

**Land Lot:** A land lot refers to a portion of land belongs to a household or government institution. The department of surveys, defines a lot as the basic unit of land after demarcation of their boundaries

**Land Owners:** Owners of land with or without trees, crops or structures affixed to the land with clear title in government records. In some exceptional cases, a person who owns land/s within the project-affected areas regardless of proof of such ownership will also be entitled, provided that such ownership is recognized under law.

**Non-Resident Land and Structure Owners:** Legal land owners who are not in possession of their land either because they have rented or leased out their said land and property affixed to it, or such land has been taken possession of by any other person.

**Non-title holder-** Person who has no legal ownership right to the property he/she occupied.

**OP 4.12:** World Bank's OP. 4.12 safeguard objective is to avoid or minimize involuntary resettlement and where it is not feasible, assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

**Project Affected Household:** Any household or family that faces an impact as result of project implementation, loses the right to own, use or otherwise benefit from a built structure, land (residential, agricultural, commercial) annual or perennial crops and trees, or any other fixed or movable assets, either in full or in part, permanently or temporarily that could affect livelihood.

**Protected Tenants:** Tenants occupying a legal property, commercial, or residential and are protected under the Rent Act of 1972 or its later amendments which prevents the land owners from evicting them or increase the rent at their own will.

**Relocation:** Rebuilding housing, assets including productive land, and public infrastructure in another location.

**Rehabilitation:** Re-establishing incomes, livelihoods, living and integration with social system.

**Replacement Cost:** The rate of compensation for lost assets should be calculated at full replacement cost. The replacement value is the cost that is adequate to purchase similar property of same quality in the open market and cover transaction cost. In applying this method of valuation depreciation is not taken into account. For losses that cannot be easily valued or compensated attempts are made to establish access to equivalent and culturally appropriate resources and earning opportunities.

**Resettlement:** A process to assist the displaced people and communities to replace their lost land, houses, assets and restore access to assets and services, and improve their socioeconomic and cultural conditions. It includes settlement of displaced people on buildable land or houses/ apartments in the same locality with barrier-free access to basic amenities.

**Resettlement Action Plan:** The document in which a project sponsor or other responsible entity specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities affected by an investment project.

**Resident Land and Structure Owners:** Owners with clear title deeds for the land and structures which they are currently occupying for their own use, residential, commercial, cultural or religious purposes.

**Stakeholders:** Any and all individuals, groups, organizations and institutions interested in and potentially affected or benefitted by a project having the ability to influence a project.

**Squatter:** Someone who has occupied public or private land, developed structures on it and put such land into residential, agricultural or commercial use without obtaining development permission and formal title under law.

**Tenants and Lessees:** Occupants that have legally taken any land or properties or both on rent or lease for a specific period with registered papers recording agreed terms and conditions as permitted under law.

**Vulnerable Groups:** People who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

## Executive Summary

The Agriculture Sector Modernization Project aims at supporting the Government of Sri Lanka's (GOSL) effort to modernize agriculture sector. The project development objective (PDO) is to support increasing agriculture productivity, improving market access, and enhancing value addition of smallholder farmers and agribusinesses in the project areas. This objective will be achieved through: (a) developing an enabling framework and incentive structure for small, medium, and large enterprises to invest in commercial agriculture and value chains; (b) promoting partnership arrangements between private sector partners and smallholder producers for better linkages; (c) demonstrating new agriculture technologies and innovations to enhance productivity, resilience, and diversification at scale in selected prioritized lagging regions; (d) promoting technology diffusion through capacity building and training and new models for extension service delivery; and (e) supporting sector policy analysis and research for reform.

The project targets selected districts in the lagging regions of the Northern, Eastern, North Central, Central, and Uva Provinces that are characterized by high poverty headcounts and high absolute numbers of poor. The project's agriculture technology demonstrations parks and the complementing production infrastructure investments will cover at least the 7 priority districts of Jaffna, Mullaitivu, Matale, Anuradhapura, Batticaloa, Polonnaruwa and Moneragala. *With the project's restructuring, under component 2, four new districts - Badulla, Killinochi, Ampara and Vavuniya have been included to establish agriculture technology demonstrations parks.*

It is estimated that at least 7,500 farm households will directly benefit from the project's technology demonstrations through improved production capacity, improved input supply and management, better and more efficient technology, improved market linkages, as well as opportunities for value addition. In addition, an estimated 20,000 farm households would benefit from the project support to establish professional farmer organizations and from capacity building through farmer business and marketing training activities, and eligibility to access the matching grant program or commercial financing. *With the project's restructuring, under component 1, a farmer outreach program as been included which will finance farmer groups to make investments to increase productivity.*

**Resettlement Policy Framework.** No physical displacement and resettlement is anticipated. The Project will not support any subprojects that require the displacement of people or have significant resettlement impacts. Since details of sites and specific investments of the Project are not available at appraisal, a framework approach has been used to outline procedures for land acquisition, resettlement planning process and guidelines to conduct due diligence for social safeguards management. The Resettlement Policy Framework (RPF) outlines the guidelines and procedures for potential land acquisition and resettlement planning for project-funded sub-projects and provides guidance on stakeholder participation in prospective sub-projects under Components 1 & 2; and the identification of social risks and appropriate mitigation measures to be adopted under each sub-project to address any adverse social impacts.

**Legal and Policy Framework:** Sri Lanka's legal framework for safeguards consists of Acts, Laws and Policies governing development induced land acquisitions and resettlement impacts. The Land Acquisition Act (LAA) 1950 permits acquisition of private lands for public purposes, paying compensation and grievance redress. It does not address resettlement issues, including impacts on non-titleholders. The National Involuntary Resettlement Policy (NIRP) of 2001 provides for addressing resettlement and rehabilitation issues including payment of compensation at replacement cost. The Land Acquisition Regulations of 2008 and 2013 incorporate NIRP principles and set out procedures, including payment of compensation based on market value for land, structures and crops affected by the project. The NIRP and the LA Regulations seek to address gaps and align national policy with Bank safeguards policies. The RPF provides an Entitlement Matrix (EM) and specific guidelines to address involuntary resettlement and risks associated with physical cultural resources in compliance with the Bank OP 4.12 (Involuntary Resettlement). Whereas the LAA will remain the main legal procedure for acquiring any private land required for the Project, the Affected Persons (APs) and households will receive eligible compensation and

resettlement benefits as per the EM given in this RPF irrespective of their title or occupancy status prior to losing shelter, business, assets, and incomes due to this Project.

**Social Management and Mitigation Measures:** The RPF, in addition to setting out the principles and guidelines, elaborates on the key steps to be taken in involuntary resettlement planning and execution. The EM explains the category and type of loss and the eligible category for entitlements. As the LAA does not address all types of losses, the involuntary resettlement policies (NIRP and World Bank safeguards) are applied to address such issues. The acquired properties will be compensated at replacement cost based on the prevailing market rates. There are also instances, which project beneficiaries and communities may contribute small land plots for rural sub-projects through voluntary donations. Voluntary donations of land was a practice adopted by previous Community-driven Development and rural development projects in the past. The Project will carry out necessary due diligence in practicing land donations through legal transferring of such lands to asset management agencies.

**Stakeholder Consultation and Information Disclosure:** Primary stakeholders include the APs, the beneficiaries of the project, the Project participating agencies, farmer producer organizations, the Provincial Councils, the The Ministry of Plantation Industries and Export Agriculture (MPIEAEA), Ministry of Agriculture (MoA), Ministry of Finance (MOF), and Ministry of Land and Land Development (MoLLD). Other project stakeholders are those who have an interest in the project, including the provincial and local government authorities, provincial departments and ministries, registered civil societies and other private and public sectors which have indirect involvements with the project. A communication and awareness campaign is scheduled to disseminate information to the public through public media, public notice boards, newspapers, leaflets, flyers, workshops and conferences, and door to door visits. A Public Information Booklet (PIB) will be used as an information dissemination technique which needs to be delivered to the project stakeholders and district level agencies to raise awareness of the project and the opportunities to participate, especially for vulnerable and poor farmer groups, including women and women groups. All safeguards documents will be disclosed locally after obtaining clearance from the Bank and in the Infoshop.

**Grievance Redress Mechanism:** Bank policy requires the borrowers to establish mechanisms to deal with issues and grievances that might be raised by all affected persons, including the informal users of public lands. The procedure is meant to reduce the incidence of expensive and time consuming litigation involving minor issues among the landowners, and to give an opportunity to those not covered by the LAA. The project will establish a Grievance Redress Mechanism (GRM) that will operate at different levels. The lowest level of the GRM is at the site (sub-project) level where the sub-project executing agency/farmer producer organization and/or contracting firm at site will keep a feedback register and receive complaints, comments or suggestions from the public, civil society representatives, farmers and other local level stakeholders. The project team will review the feedback and take appropriate actions. The middle level will operate at local PMU/ regional project office level. This second tier of GRM will seek to resolve an issue quickly, amicably, and transparently out of courts in order to facilitate activities to move forward. It will respond to grievances brought to their notice by the general public and the Social Audit Committees (SACs), farmer producer organizations and other stakeholders.

**Implementation Arrangements:** Project implementation will be under Project Management Units (PMU) at both MPIEA and MOA with adequate staff, including Project Director, Deputy Project Director, Financial Management Specialist; Procurement Officer, M&E Officer, Environmental and Social Development Specialists, and various technical subject matter specialists who would be recruited on demand basis.

**Monitoring & Evaluation:** M&E and reporting is integral to social safeguards. The Project will establish a M&E/ reporting system to ensure efficient and effective implementation of the project and its compliance with social safeguards. The monitoring system will include guidelines and terms of reference, monitoring indicators, mechanisms and methodologies, frequency, documentation and reporting arrangements.

# 1. Introduction and Background

## 1.1 Context

The Agriculture Sector Modernization Project aims at supporting Government of Sri Lanka's effort to modernize agriculture sector through: (a) developing an enabling framework and incentive structure for small, medium, and large enterprises to invest in commercial agriculture and value chains; (b) promoting partnership arrangements between private sector partners and smallholder producer for better linkages; (c) demonstrating new agriculture technologies and innovations at sufficient scale to enhance productivity, resilience, and diversification at scale in selected prioritized lagging regions; (d) promoting technology diffusion through capacity building and training and new models for extension service delivery; and (e) supporting sector policy analysis and research for reform.

This document is the Resettlement Policy Framework (RPF) for the Project, prepared in keeping with World Bank's safeguard policies and other WBG requirements to ensure due diligence and to achieve social development outcomes of the project.

Agriculture in Sri Lanka is critically important for rural livelihoods, poverty reduction, and economic growth. About one third of the population is engaged in agriculture with the sector contributing around 10 percent of total Gross Domestic Product (GDP) and 24 percent of total exports. While Sri Lanka has been successful in achieving self-sufficiency in rice production – the country's basic staple food – the agriculture sector remains characterized by relatively low productivity and diversification levels; comparatively limited capacity, incentives, and technology choices for smallholder farmers to improve productivity and diversity; structural constraints, such as labor shortages, land fragmentation, low organizational levels; relatively weak linkages between producers and domestic and international markets; and underexploited opportunities for processing and value-addition.

The Government's *National Program for Food Production 2016-2018* outlines production targets, policy approaches, and technical and institutional measures to increase agricultural production and productivity with the overall aim to reduce dependence on imports and improve the sector's contribution to the national economy and exports. The program explicitly highlights the need for diversification away from basic staples towards higher value crops (fruits, vegetables), specialized crops (spices), aquaculture, and livestock. The focus on diversification and commercialization is also an important shift towards more market and demand orientation. Diversification is to be achieved by gradually freeing up farmland that was previously mandated for rice production but may no longer be needed as rice productivity is increasing. Fruits, vegetables, specialized niche crops and other agricultural products generally generate higher incomes as compared to rice but also demand more intensive labor input and require new skills, higher levels of technology and innovation, better and environmentally sustainable crop management, and new financing and marketing arrangements, all of which provide new opportunities for development and job creation. The program further emphasizes the need for an integrated approach that involves smallholder farmers, government, commercial private sector, and research institutions as partners.

Agriculture modernization will require differentiated strategies for different parts and production arrangements across the country. In the northern and eastern parts of the country, comprising primarily the dry zone, there is significant scope for agricultural productivity growth both through traditional and non-traditional agriculture and the potential for better linkages to domestic and export markets, including value-added production. In other parts of the country, more robust and scaled-up private commercial investment and innovation through agri-enterprises and agri-enterprise-farmer partnerships is needed for value addition and farmer integration into high value chains through scaling up and diversification into more commercial crops.

## 1.2 Project Objective and Description

The project development objective (PDO) is to support increasing agriculture productivity, improving market access, and enhancing value addition of smallholder farmers and agribusinesses in the project areas.

The project consists of 3 components.

**Component 1: Agriculture Value Chain Development** (*IDA US\$ 58.63 million*). The component seeks to promote commercial and export-oriented agriculture through attracting and leveraging investments from farmer producer organizations and agribusinesses for high value agriculture production and value addition. It will provide the enabling environment, incentives, and access to finance for such investments through matching grants, technical assistance support and linkages to the commercial banking sector, and an innovative Partial Credit Guarantee (PCG). It will strengthen farmer producer organizations and promote smallholder– agribusiness partnerships and finance farmer groups to make investments to increase productivity; improve the linkages of smallholders in agricultural value chains; increase their competitiveness, business orientation and market position; and making them more attractive business partners in the value chain. The expected component outcomes include: an increased number of farmer producer organizations and agribusinesses investing into higher value agriculture production and value chains; increased benefits derived by farmer producer organizations and rural communities from partnerships through productivity, higher agriculture income, and employment; and increased value of commercial output from value chains.

Component 1 comprises the following sub-components:

- (a) **Sub-component 1.1: Investment Preparation Support**, supporting: (i) a training program on the principles and procedures of the Matching Grants Program for the MPIEA-PMU and stakeholders; (ii) public advertisements and information workshops at national, provincial and district levels for prospective applicants; as well as annual conferences to review the performance of the Matching Grants Program; (iii) incremental operating costs associated with the review and approval of grant applications through the Technical Review Group and Board; (iv) international advisory support to operationalize the Matching Grants Program; (v) salaries and associated allowances of a Matching Grants Officer, an Agri-business Expert and an Office Assistant to be recruited and housed in the Matching Grants Secretariat of the PMU; (vi) salaries and associated allowances for support staff to the Secretariat at provincial or district levels, including a matching grants officer, a matching grants assistant, and a procurement staff in three regional support offices; (vii) office equipment, office rental, vehicle rental and incremental operating cost for the Matching Grants Secretariat and the regional support offices; and (viii) technical assistance support and mentoring for applicants to the Matching Grant Program to assist in the preparation of quality investment proposals; and (ix) technical assistance support to support the project's environmental and social safeguards requirements within the Matching Grants Program.
- (b) **Sub-component 1.2: Matching Grants to Producer Organizations and Agro-Businesses**, supporting a Matching Grants Program to attract and leverage investments from farmer producer organizations and agribusinesses in agriculture. Matching grants would be provided under two windows:
  - (i) Matching grants of US\$ 5,000 up to US\$ 75,000 would be provided for investments to be developed and implemented by farmer producer organizations. Matching grants would co-finance investment proposals from such organizations on a 50/50 cost sharing basis. Eligibility criteria for farmer producer organizations to participate in the Matching Grant Program would include: formal registration under Sri Lanka's Company Act, 2007 (details on management, governance, ownership structure, capitalization, auditing and others are

detailed in the Operations Manual) at the time of application; appointment of an accountant; a minimum cash contribution of 10 percent of the total investment cost to be deposited into a bank account in the name of the organization at the time of application; and availability of commercial financing of up to 40 percent of the total investment. Upon approval of the investment proposal and matching grant, farmer producer organizations would enter into a project agreement with the PMU in the MPIEA. The detailed procurement and disbursement procedures are described in the Operations Manual.

- (ii) Matching grants of US\$ 75,000 up to US\$ 500,000 would be provided to agribusiness for agriculture value chain investments. Established and new start-up agribusinesses would be eligible to apply for and access the matching grants. Applications for matching grant support would be evaluated on criteria, such as outreach and capacity building to smallholder farmers, regional focus, and gender focus, as well as criteria of technical quality, innovative potential, business rationale and others.

Matching grants would be awarded based on a transparent application, evaluation and selection process that is described in the Operations Manual. Grants can be used flexibly, as described in the respective approved investments plans, for example, to: expand and/or diversify agriculture production; introduce new production models, technologies and equipment; improve product quality, processing, marketing, and value-added of agricultural products; promote and improve food safety standards; and provide extension and other support services.

Updates from Restructuring - *Introduction of new financing window for farmer partnerships:* Many of the existing MG recipients face a constraint to further scaling up due to a lack of reliable supply of raw materials from farmers. The restructuring will therefore introduce a new product under the component which will finance farmer groups to make investments to increase productivity. This will be called the Farmer Outreach Program. A draft operational manual has been prepared to determine the details of how the program will work. It will be conducted in line with the Government policy, introduced following the Covid-19 outbreak, to provide farmers with inputs (predominantly planting material). The product will only be available to existing MG recipients, though could be scaled up if successful. The Operational Manual would need to be approved by the Central Project Coordinating Committee (CPCC) before being sent to the World Bank for review. This would be funded by reallocating funds (US\$6m) currently allocated to the PCG, for which there has been minimal demand.

*Sub-component 1.3: Partial Credit Guarantee:* supporting a PCG to share financial risk with participating financial institutions (PFIs) that have expressed interest in lending to beneficiaries of the Matching Grant Program. The PCG would be administered by the Regional Development Department of the Central Bank of Sri Lanka (CBSL) that has demonstrated prior experience with administering financing schemes for farmers and SME agribusinesses through both public and private financial institutions. The PCG will operate on the basis of the World Bank Group principles on partial credit guarantee schemes, published in December 2014, covering the governance, management, administration, sustainability, and monitoring of PCG. Detailed operating modalities of the PCG will be described in a PCG Operational Manual.

Updates from Restructuring - As at June, 2020, there has been no uptake of the PCG, for which US\$7m was allocated. There is one application for the PCG under processing (for approximately US\$40k), and there are several other companies and banks which have expressed an interest. However, it is clear that the original demand for the PCG was over-estimated and therefore funds can be reallocated to the Farmer Outreach Program (above).

**Component 2: Productivity Enhancement and Diversification Demonstrations (IDA US\$ 58.63 million).** The component aims at supporting smallholder farmers to produce competitive and marketable

commodities, improve their ability to respond to market requirements, and move towards increased commercialization. The expected component outcomes include: increased market and orientation of farmers individually and in farmer producer organizations; enhanced agricultural commercialization; and the demonstration and introduction and adoption of innovative technology packages.

**Component 2 comprises the following sub-components and activities:**

- a) *Sub-component 2.1: Farmer Training and Capacity Building*, supporting knowledge building and capability improvements of smallholder farmers and the establishment of farmer organizations to help them to respond better to market opportunities

*Individual farmer capacity building* will be implemented through a comprehensive training program through a selected national training service provider in coordination with the national agricultural extension service system and include the: (i) development of detailed curricula building on existing elements of curricula under the theme of *farming as a business*. This will include training modules on markets and marketing understanding, record keeping at farm levels, preparation of crop and livestock budgets (calculation of production costs and cash flows), use of modern communication technology (SMS, internet, IT based systems, etc.), farm level risk assessment and mitigation, etc.; (ii) preparation of a roll-out strategy for up to 600 villages; (iii) training of some 10 master trainers and some 200 Trainers of Trainers, and (iv) rolling out the training to villages across the country, using a farm business school approach with a combination of class-room and villages on-farm training.

*Farmer Producer Organization* training and development will include the following activities, which would also be carried out through contracted national service providers: (i) A rapid value chain and farmer producer organization assessments to prioritize the key value chains where farmer organization and joint action is critical for commercialization and value addition. This activity would also assess potential market opportunities; identify existing constraints; devise solutions to address them, and determine the corresponding capacity building needs. The assessment will also include a stock taking of existing farmer producer organizations, their size functions and bottlenecks for business development.

The sub-component would further support: (ii) a training needs assessment of existing and potential farmer producer organizations; (iii) development of detailed curricula development, including training modules on group formation and registration, legal requirements, farmer producer group management (meetings, record keeping, financial planning, market and marketing understanding), commercial lending, use of modern communication technology (SMS, internet, IT based systems, etc.), etc.; (iv) preparation of a roll out strategy for reaching out to some 500 farmer producer groups; (v) training of some 10 master trainers and some 200 Trainers of Trainers; (vi) rolling out the training to some 500 existing and new farmer producer organizations; (vii) the provision of basic office equipment (computer, office furniture) for farmer producer organizations; and (viii) formal legal registration cost. The activities will be supported by Social development specialists (facilitators) to be placed in the provincial agricultural offices. It is expected that most of the trained and established farmer producer organizations would become eligible for application under the Matching Grants Program under Component 1.

- (b) *Sub-component 2.2: Modern Agriculture Technology Parks*, supporting the introduction, demonstration, and scale-up of innovative agriculture technology packages that are not yet available or practiced by smallholder farmers but would support productivity improvements, diversification, commercialization, more sustainable and climate resilient production patterns (high value products, new varieties, technology, soil, water, fertilization etc.).

The sub-component initially had planned to support 7 agriculture technology demonstration parks in selected districts in the Northern, Eastern, North-Central, Central, and Uva Provinces, which have been identified based on high poverty headcounts and agriculture potential.

Updates from Restructuring - There is a strong interest from the Ministry of Mahaweli, Agriculture, Irrigation and Rural Development (MMAIRD) to expand the geographic coverage of the project. This was illustrated with the inclusion of Treasury funds to scale up included in the Government's 2020 Budget. The European Union has also agreed with Government to use Euro 25m to scale up to the four districts of Badulla, Killinochi, Ampara and Vavuniya. Some provisional investigations have taken place in the proposed new districts, and potential pilots have been identified following the same approach as was demonstrated in the initial seven districts, including an initial diagnostic and consultations with the community. The pilots will also be conducted in line with the existing approach, including the identification of beneficiaries and creation of farmer producer organizations, identification of appropriate technology and cropping patterns, the identification of off-takers and negotiation of purchase agreements, and the provision of training in technology and business skills. The creation of an agricultural Center of Excellence and the development of the national information system, for which there has been little or no progress and for which the MMAIRD is no longer interested in pursuing under the project. Neither of these will have any impact on the achievement of the PDO and therefore it was agreed to drop these and reallocate the funds to the provisional activities in four new districts;

The agriculture parks would be established to demonstrate entire value chain approaches, involving farmer mobilization and training, production, post-harvest handling and/or processing, and marketing. Each park would include at least five to eight entire villages. The number of villagers could be higher depending on the nature of the technology package and the necessary scale to support viable processing units or marketing channels. Examples of such technology demonstrations would, for example, include: fruits and vegetables production and marketing systems combination with sprinkler and drip irrigation systems, organic farming, improved homestead gardening combined with greenhouse and tunnel cultivation, fertigation technologies, diversification of rice production systems, and various small-scale processing technologies and others. Selection criteria for such demonstrations would include the following: (i) clear innovative elements in the proposed technology demonstration involved; (ii) market-orientation and expected sustainable financial returns; (iii) activity cannot be implemented by the existing public extension service; (iv) demonstration effects which could lead to and expansion and replication in other locations; and (v) Sri Lanka-based private sector institutions, or the local representatives in case of institutions based outside the country, or domestic service providers can implement the activity in cooperation with farmer organizations. To ensure technology and knowledge transfer to the public extension service, service providers will be required to involve government extension staff in the activity, through partnership arrangements that would be specified in each respective contract between the project and the service provider. The detailed implementation modalities of the technology demonstration approach are described in the Operations Manual and will be included in the Procurement Plan.

(C) *Sub-component 2.3: Up-grading Production and Marketing Infrastructure, supporting:* (i) the up-grading and rehabilitation of small-scale irrigation infrastructure and existing water tanks and irrigation systems in selected priority areas, linked to the agriculture technology demonstrations parks; (ii) the improvement of existing production and market access roads and construction of new field access tracks to improve transportation, access to markets and accessibility for agricultural machinery; and (iii) village level storage and product handling facilities, including drying platforms and sheds, composting facilities of crop residues, storage facilities and others. Infrastructure investment would focus on public infrastructure and would be linked to gaps identified under the technology parks development (sub-component 2.2). The procurement and management of civil works contracts would be under the responsibility the PMU of the Ministry of Agriculture and would be implemented through the local governments.

(D) *Sub-component 2.4 Analytical and Policy Advisory Support.* The component would support MPEIA and MOA and other relevant government entities in: addressing knowledge gaps; developing an evidence-based policy, legal and regulatory framework; addressing policy and regulatory inconsistencies as may arise from time to time with policy decisions emanating from different parts of the government; and formulating sector and sub-sectoral strategies to provide the suitable enabling

environment for a sustainable and competitive modern agriculture and food system. The expected outcomes of this component would include: evidence-based policy analysis integrated into the government's policy decision making process; a strengthened socio-economic analytical foundation in the formulation of long-term sector and sub-sector development strategies; improved coordination across various parts of the government on economic policies and regulations affecting the enabling environment for private investment in the agriculture and food sector. The sub-component would be implemented by CARP, with day-to-day activities managed by a small Policy Analysis Unit, to be established in CARP with project support.

**Component 3: Project Management, M&E (IDA US\$ 7.74 million).** This component will support the PMUs of MPIEA and MOA and the Provincial Project Management Units in project management and coordination, technical supervision, financial management, procurement, social and environmental safeguards, and M&E. The component would support: (a) project orientation workshops, training and study tours; (b) engagement of technical assistance and short term experts for overall project management; (c) design and installation of a project M&E and Management Information System; (d) M&E surveys and reviews (baseline, mid-term and end of project impact evaluation through an external agency/ institute); (e) the regular supervision of environmental and social safeguards implementation; (e) procurement of office equipment, office renovation or rental, and vehicles; and (f) incremental operating costs.

### 1.3 Project Coverage

The project's matching grants program is expected to support up to 450 existing and newly established farmer producer organizations and up to 60 agribusiness partnership arrangements under the program's demand-driven approach for project investment support. It is estimated that up to 15,000 smallholder farm households will directly benefit under the matching grants program through new income opportunities, value added production, and improved market linkages. Evaluation criteria for the approval of matching grant support have been developed to specifically consider women-headed producer groups and organizations under the grant program's small funding window and promote women representation in productive and value added activities in the envisaged partnership arrangements between producer organizations with agribusinesses. It is expected that approximately 30 percent of the farmer producer organizations benefitting from matching grants will be women-led farmer producer organizations.

In addition, the project specifically targets selected districts in the lagging regions of the Northern, Eastern, North Central, Central, and Uva Provinces that are characterized by high poverty headcounts and high absolute numbers of poor. The project's agriculture technology demonstrations parks and the complementing production infrastructure investments will cover 7 priority districts of *Jaffna, Mullaitivu, Anuradhapura, Batticaloa, Matale, Polonnaruwa, and Moneragala*. It is estimated that at least 7,500 farm households will directly benefit from the project's technology demonstrations through improved production capacity, improved input supply and management, better and more efficient technology, improved market linkages, as well as opportunities for value addition. In addition, an estimated 20,000 farm households would benefit from the project support to establish professional farmer organizations and from capacity building through farmer business and marketing training activities, and eligibility to access the matching grant program or commercial financing.

**Table 1: Population and Land Use Data of Districts for Agriculture Technology Demonstration**

		Geographical area	Agricultural land under small holding	Number of land holdings less than 1/4	Number of land holdings above 1/4
District	Population	(km <sup>2</sup> )	(Hectares)	(acres)	(acres)
Jaffna	597,000	1,025	16,942	66,526	25,303
Mullaitivu	94,000	2,617	16,293	6,349	11,814
Anuradhapura	893,000	7,179	149,590	26,351	150,613
Batticaloa	541,000	2,854	33,989	78,897	20,890
Monaragala	472,000	5,636	91,869	8,603	81,723
Matale	502,000	1,993	50,973	21,154	64,806
Polonnaruwa	419,000	3,293	67,255	12,319	58,806
Badulla	-	-	-	-	-
Killinochchi	144,559	1,348	35,711	12,520	12,415
Ampara	728,000	4,415	72,990	67,778	55,302
Vavuniya	185,622	2,005	64,348	7,682	17,710

Overall, the majority of the districts selected for agriculture technology are located in the former conflict affected areas and lagging regions which large number of poor, resettled internally displaced persons and small farmer communities. The poverty and marginalization are characterized by poor or dilapidated public infrastructure, lack of productive infrastructure at the farm level, and poor access to markets, as well as limited livelihood and employment opportunities. Hence, the proposed project interventions would benefit most poor and war affected small farmers in the above districts to improve their livelihoods.

#### 1.4 Objective of the Resettlement Policy Framework

Projects and Programs financed with IDA resources need to comply with World Bank Operational Policies. Therefore, components and related activities eligible for funding under this project are required to comply with World Bank's safeguard policies, in addition to conformity with legal frameworks related land acquisition management and involuntary resettlement policies of the GOSL.

Because details of sites and specific investments of the project are not available at this stage, a framework approach has been used to describe the procedures for land acquisition, resettlement planning process and guidelines to conduct due diligence for social safeguards management. The project's framework approach means that the participating communities, specific locations of sub-project investments, and other project stakeholders, such as existing and new farmer producer organizations and agribusinesses, will only be identified during implementation.

The Resettlement Policy Framework (RPF) provides for: potential land acquisition and resettlement planning under sub-projects; guidance on stakeholder participation in prospective sub-projects under Components 1 and 2; the identification of social risks; and the identification of appropriate mitigation measures to be adopted under each sub-project to address any adverse social impacts. All sub-projects will be subjected to a social screening/ assessment process to ensure: adequate and voluntary participation in project-supported productive interventions; and outreach to women and poor households. The social screening/ assessment would also determine if specific social safeguards instruments required to be prepared prior to the implementation of sub-projects.

## 2. Legal Framework related to Social Development Aspects

Sri Lankan laws governing matters relating to land, such as land acquisition, recovery of state lands, claiming rights of acquisitive prescription, declaration of reservations, compensation for property losses and compensation for improvements include the following:

- a) Land Acquisition Act (LAA) No. 9 of 1950, as amended; and Land Acquisition and Payment of Compensation (LA) Regulations of 2008
- b) State Lands Act No, 13 of 1949
- c) State Lands (Recovery of Possession) Act No, 7 of 1979
- d) Land Development Ordinance No, 19 of 1935
- e) Urban Development Authority Law No, 41 of 1978
- f) Temple and Devalagam Ordinance
- g) Crown Land Encroachment Ordinance

Annex --describes the major legislative tools and regulations in details:

### **Land Acquisition Act (LAA) No 9 of 1950**

The policy and the regulatory framework for acquisition of private land, payment of compensation and involuntary resettlement in Sri Lanka is governed by the Land Acquisition Act (LAA) No. 9 of 1950 and its subsequent amendments, Land Acquisition and Payment of Compensation Regulations of 2009 and National Involuntary Resettlement Policy (NIRP) of 2001. Land acquisition for public purposes is guided by the provisions, and procedures outlined in the Land Acquisition Act No. 9 of 1950. It was amended several times thereafter, the latest being the Amendment Act No 13 of 1986.

The LAA lays down the general procedure for the acquisition of private lands for a ‘public purpose’ (e.g. development projects), the process of which would take about seventy-two weeks for its completion. The law also stipulates that lands acquired for a particular purpose cannot be used for a different purpose, and lands that remain unused be returned to the original owners. The same Act also makes provisions under Section 38 (a) proviso to take over the immediate possession of any land on grounds of ‘urgency’, if the Minister of Lands is of the opinion that the land is ‘urgently’ needed for development projects and cannot wait until the compensation inquiry is over. In such a situation, the Minister of Land may issue an order under Section 38 (a) proviso after Notices under Section 2 or 4 are published. The acquiring officer will thereafter request the Chief Valuer to prepare a Condition Report of the property, as at the date of taking over, in order to facilitate assessment of compensation to be paid once Section 7 Notice is published later on. The application of Section 38 (a) proviso avoids a number of provisions prescribed under the general procedure for land acquisition. This provision in the LAA bypasses the issue of Section 4 Notice, which allows the land owner or any other interested parties to raise their objections to the acquisition of a particular land. Furthermore, Section 38 (a) proviso allows the acquiring officer to take over the immediate possession of the land, and vesting it on the institution which has requested the acquisition of such land, before the compensation is paid to the affected parties.

One of the inadequacies of the LAA is it places the entire burden on the land owners/interested parties to prove ownership or interest in, demonstrate clear title to, gather all information and submit a compensation claim in respect of, land to be acquired. Often displaced persons are not aware of their rights or time frames to be observed under the LAA, or they are aware but are ill-equipped to deal with the procedures required and are not experienced in dealing with various officials and documentation.

On the other hand, the LAA does not address all aspects of losses causing from involuntary land acquisition, especially the entitlements of the squatters as prescribed in OP 4.12. Basically, the law is indifferent to the landowner's present socio-economic conditions or the long term adverse impacts on incomes and livelihood that the acquisition may cause on the affected people. The LAA provides for compensation for lands and other fixed assets built and grown on them (structures, trees and orchards and crops) and for loss of incomes for those who could prove their income losses by documentary proof up to a maximum of average net profit for the three years immediately preceding the publication of Section 07 notice under LAA.

### **National Policy for the Payment of Compensation**

The LAA provides for compensation for lands and other fixed assets built and grown on them (structures, trees and orchards and crops) and for loss of income for those who could prove their income losses by documentary evidence up to a maximum of average net profit for the three years immediately preceding the publication of Section 07 notice under LAA. The Land Acquisition Regulations (LAR) of 2008 has introduced provisions for loss of income and other impacts which can be compensated on furnishing of other evidence in lieu of documentary evidence in proof of payment of income tax by the AP. The 2008 regulations however do not cover people who cannot produce evidence to claim compensation for loss of income.

For the purpose of the determination of compensation, the market value of a land is generally the amount which the land might be expected to have realized if sold by a willing seller in the open market as a separate entity on the date of publication of the notice in the gazette. Strips of land on canal reservations were earlier assessed as narrow "separate entities" realizing a low market value. For marshy lands and encroached lands the encumbered value was computed realizing a low market assessment. This has changed with the LA Regulations of 2008, which provide that, the unit value of the land shall be calculated by taking into consideration the whole plot of land and not the narrow strip required for the project.

In November 2008 the Cabinet of Ministers approved a national policy to establish a uniform system of compensation payment. It superseded all other ad hoc and special compensation packages that existed on the date of the Cabinet approval of the policy. However, the project that had already introduced such relief schemes and published Section 2 under LAA before 01 September 2008 were allowed continue with the applicable package.

LAR 2008, issued under Section 63 (2) (f) of LAA 1950 came into effect on 17 March 2009 provides for statutory payments of compensation. It provides compensation beyond 'market value' by incorporating compensation for injurious affection and severance (equivalent to the full cost of damage based on the market value of land acquired), and disturbances (in terms of Section 3.11, principle based on the 'value to owner' of the property affected as per the written claims submitted by the AP) (Gazette notification No.1596/12 of 7.4.2009), and permitting for reconstruction cost calculation without depreciation and valuation for the whole plot of land for determining proportional unit cost for the affected land parcel, business losses, relocation assistance etc. It also provides for the APs to be entitled for a hearing at Land Acquisition and Resettlement Committee (LARC) headed by Divisional Secretary and representatives of all the government agencies involved in land acquisition process before land being acquired. However, the compensation due to affected parties will be exclusively determined by the valuation department. Under this policy, the parties dissatisfied with LARC decisions were permitted to appeal to a Review Board of Compensation that in practice as a rule, affirmed the LARC decisions.

### **Indigenous People of Sri Lanka**

Sri Lanka does not have a national policy or a legal framework exclusively on indigenous people. Sri Lankan Constitution guarantees equal rights and privileges to Veddas, which are accorded to any other ethnic community in the country. It does not accord special status to any ethnic, religious, cultural or social

group. In addition, Veddas also receive State patronage at times when they raise their grievances with the relevant authorities. However, in popular literature and historical analyses, a group of forest dwellers known as Vedda are considered as indigenous people. Historically, they lived near forest and jungle areas. The Veddas are allowed to engage in their traditional livelihood practices in a limited way ('limited human activities') such as hunting and gathering forest resources.

In 2011, a National Action Plan for the Protection and Promotion of Human Rights prepared by the Government, which emphasizes the need for greater attention to the rights of indigenous people. The action plan directs the Ministry of Cultural Affairs and National Heritage to review existing laws, policies, and practices and amend or enact policies to protect the rights of indigenous people by 2016. The government's plan also provides legal support to the indigenous community, measures to conserve their traditional knowledge and traditional medicines, and support to establish a museum on their heritage. In order to create greater awareness about the indigenous community and their culture, the Government has established several cultural centers and documented the history of the Vedda community and their way of life. The Forest Department which is responsible for management of national forest covers have recognized the livelihood needs of forest dwellers and issued 'permits' for only identifiable forest dwellers to enter into forest areas and make use of forest resources for livelihood purposes. At present, except in a few locations near forests and national forest covers, majority of Vedda people have been integrated or assimilated with mainstream Sri Lankan society. They communicate with each other in national languages depending on where they live. On the other hand, there is no record of existence of Vedda people in national census or local record, and this fact makes it difficult to do any specific targeted development planning and/or interventions.

The Bank has recently carried out a preliminary assessment to ascertain data and information of the presence of IP community, especially Vedda. The assessment reveals that in certain locations near forest areas, a few Vedda households identify themselves as forest dwellers or Vedda. However, the overwhelming majority does not exhibit any recognizable characteristics as IPs and they are fully integrated with the mainstream society having assimilated mainstream values as well. In addition, Sri Lanka's ethnic groups, such as Tamils, do not consider themselves as ethnic minorities because they enjoy equal rights as all other religious and ethnic groups well integrated and mainstreamed in national political system and governance with demonstrated capability to influence national policies and resource allocations. A national workshop is being planned to review and discuss the findings of the IP study and decide on whether Vedda communities or any other social groups should be recognized as IPs for targeted action, and determine the applicability of triggering of Indigenous People's Policy (OP 4.10) for Bank financed projects.

The Project does not envisage to implement any interventions in the areas which are close to or interfere with the forest reserves and national parks earmarked as territories of the Vedda or any activities that would adversely affect the habitats and the social and cultural practices of the forest dweller populations.

Through social screenings and related interventions, the project will ensure to promote greater social equity in outreach, community participation, and involvement of vulnerable groups in planning and service delivery under project activities. The PMUs will implement community consultations in each of the sub-project areas to identify opportunities as well as problems and issues in the beneficiary communities associated with project design, and will adopt adequate safeguard measures to address those issues.

### **Women Charter of Sri Lanka**

The State policy on women in Sri Lanka is articulated in the Sri Lanka Women's Charter of 1993, which is based on United Nation's Convention on the Elimination of all forms of Discrimination against Women (UNCEDAW) and was a collaborative effort of the national machinery and women's NGOs. Seven areas of concern, specific to women in Sri Lanka such as civil and political rights, right to education and training, right to economic activity and benefits, right to healthcare and nutrition, rights within the family, right to

protection from social discrimination and right to protection from gender based violence are addressed in the Charter.

In this charter, the Constitution of the Democratic Socialist Republic of Sri Lanka recognizes that gender equality and freedom from discrimination on the grounds of sex is a fundamental right, and provides for its enforcement in the Courts of Law. Political and Civil rights ensure equality of men and women and eliminate discrimination against women in the public and private sectors. Moreover, this was planned to be established for the purpose of examining progress made on the realization of the obligations undertaken by the Charter and for monitoring the achievement of its objectives.

## 3. World Bank Policies and Social Safeguards Requirements

### 3.1 OP 4.12 Involuntary Resettlement

The World Bank's Operational Policy on Involuntary Resettlement (OP4.12) is applicable to the project.

Involuntary resettlement covers situations where a project must compensate people for loss of land, other assets, livelihoods, or standard of living. World Bank Operational Policies seek to avoid - where feasible - or minimize involuntary resettlement, exploring all viable alternative project designs. Resettlement planning has the objectives of providing displaced persons with a standard of living equal to, if not better than, their pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher. The required measures to address the impacts resulting from involuntary taking of land, a RPF is required to ensure that the displaced persons are informed about their options and rights pertaining to resettlement; consulted on and provided with technically and economically feasible resettlement alternatives and provided compensation at full replacement cost .

No involuntary resettlement is envisaged under the project. Most project-supported physical interventions are expected to be of relatively small scale at household or village level on existing farmland of households that are participating in the selected sub-projects on a voluntary basis, following consultation. Specific activities would involve, for example some land preparation, construction of small-scale household level green houses, and installation of on-farm irrigation equipment. In addition, the construction of storage facilities, agriculture connectivity roads, markets, and facilities for product processing and others at the level of producer organizations or agribusinesses are likely to require some land and may generate a land acquisition case, if land is not donated voluntarily, purchased through willing-buyer willing-seller arrangements, or cannot be made available from State land.

The RPF will guide the land acquisition process and the preparation of sub-project specific Resettlement Action Plans (RAPs) in compliance with the national legal and policy framework for land acquisition and OP 4.12. The RPF has set key principles and procedures for land acquisition, covering documentation, compensation and mitigation principles, a grievance redress mechanism, monitoring and evaluation, and institutional arrangements. All the subprojects that involve construction of agriculture infrastructure and facilities in new lands will be screened in respect of the involuntary resettlement policy, including any community/government owned land required for new constructions is free of squatters/informal settlements and other encumbrances.

### 3.2 Gap Analysis of National and World Bank Safeguard Requirements

Sri Lanka has a highly developed legal system to manage land acquisition and regulate land use. It has an advanced system for valuation of properties, both in specialized and non-specialized categories involving different methods as mentioned earlier in this chapter. The existing legal provisions come close to meeting the WB's safeguard requirements when it comes to land acquisition and involuntary resettlement.

The NIRP and the LA Regulations of 2009 and 2013 seek to address gaps bringing the process closer to the Bank's safeguards policies. However, the NIRP is a statement of policy intention without specific rules and prescriptions to guide safeguards implementation. In this context, this RPF provides an Entitlement Matrix (EM) and specific guidelines to address involuntary resettlement and risks associated with physical cultural resources in compliance with the Bank OP 4.11 and 4.12. Whereas the LAA will remain the main legal procedure for acquiring any private land required for the Project, the APs and households will receive eligible compensation and resettlement benefits as per the EM given in this RPF irrespective of their title or occupancy status prior to losing shelter, business, assets, and incomes due to this Project.

### 3.3 Project Resettlement and Land Acquisition Principles

The project will select development interventions and activities that will take into consideration alternative designs with an emphasis on avoiding or minimizing adverse impacts on private landowners and those non-title holders who have been using state lands with or without authorization. To minimize adverse impacts, the project will adopt the following principles:

- Use as much State lands as possible which are free of encroachment and other encumbrances
- Avoid or minimize acquisition of private lands unless absolutely required through analysis of alternatives;
- Avoid or minimize involuntary resettlement and loss of land, structures, other assets and incomes by exploring all viable options;
- Consider alternative designs in order that the project may not affect objects and sites like places of worship, cemeteries and structures that are considered socially and religiously important.; and
- Incorporate gender considerations in social management, resettlement planning and implementation process.

## 4. Social Management and Mitigation Measures

This section provides strategies and principles for: identifying project affected individuals, families, communities; assessing potential social impacts of sub-projects; and formulation measures to avoid/ minimize and manage any adverse impacts. The RPF is meant to enable the project implementing agencies to adequately incorporate social safeguard considerations in the planning, execution and operation/ management of different activities. It also aims at outlining the safeguards instruments to be prepared, mitigation principles, organizational arrangements and design criteria to be applied for the project. This is consistent with the relevant World Bank Safeguard Policies as well as the Sri Lanka Government's policies.

The RFP will ensure that all the infrastructure developments considered under the project are systematically assessed through social screenings and the national and Bank safeguards policy requirements are followed to mitigate the adverse social impacts. The RPF also stipulates supplementary guidelines for voluntary land donations and transfer of state lands to project implementing agencies

### 4.1 Social Economic Profile of the Project Beneficiaries

The project targets selected districts in the lagging regions of the Northern, Eastern, North-Central, Central, and Uva Provinces that are characterized by high poverty headcounts and high absolute numbers of poor. Mullativu & Kilinochchi has the highest percentage of poor which nearly one fourth the total households. The majority of the beneficiary population in Matale, Polonnaruwa, Anuradapura, Monaragala & Badulla districts are Sinhalese while other 6 districts (Jaffna, Mullativu, Kilinochchi, Vavuniya, Ampara and Batticaloa) majority belong to Tamil community. Muslims represent a sizable population in Ampara and Batticaloa district. Agriculture is the main livelihood of people and distribution of employed population by major industry group shows more than half of the people in Batticaloa and Monaragala are engaged in agriculture. In the 11 targeted districts, nearly 30% to 40%<sup>1</sup> of the population are agriculture operators<sup>2</sup>. While highest number of agricultural operators are reported in Anuradapura, Badulla, and Monaragala districts. There are around 12,000 small farmer organizations which are registered with Agrarian Services Department. In addition, agriculture producer organization, farmer federations and farmer companies in the country which are active in commercial farming and agribusiness industries.

Overall, women constitute nearly 52% of the population in the country. Conflict affected areas of Sri Lanka have significant number of female headed households and population of working women. Women, also play a major role in agriculture production and marketing process but their labor participation is largely remain uncounted. Notwithstanding the important role of women in agriculture, customary laws and traditional social norms have been biased in favour of men, which constitute a barrier to women's equitable access to resources. Men hold land and property ownership. Though contributing a major part of their lives to providing services and support the opportunity to be placed in decision making roles or have control over assets is limited. Despite their routine and expected domestic work, women are very actively involved in agriculture production. The project aims at promoting women economic participation in a modern agriculture practices and to support women farmer producer organizations through social mobilization programs. The project will also create structures and procedures to bridge gaps in women's access to agricultural assets and services eg: promoting gender sensitive methodologies for women to access to credit schemes and strengthen market linkages, increasing women's engagement in decision making in Farmer's Organizations and Producer's Groups to ensure the gendered needs and vulnerabilities are addressed. . It is worthwhile to note that women producer organizations will receive priority in the matching grant facility and other project-supported activities. The project will create opportunities for the economic advancement of women and compile data on gender disaggregated to monitor results.

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<sup>1</sup> Agricultural Household Survey 2016/2017.

<sup>2</sup> a household member who takes decisions on agricultural production activities as employers or own account worker is defined as the agricultural operator

## 4.2 Potential Social Impacts and Risks

The project is classified as category B. The project is expected to generate positive social benefits and sustainable poverty reduction opportunities for rural communities in lagging rural areas across Sri Lanka. Improved agriculture productivity and value chain development are expected to create additional economic returns for farmer households. Expected benefits also include employment opportunities for poorer households, individual and collective empowerment through membership in formal farmer producer organizations and partnership arrangements with agribusinesses, improved access to finance, technology, markets, and rural infrastructure and trading facilities, as well as new technical and management skills. Agriculture technology demonstration parks will be established in formerly conflict-affected and poverty stricken marginalized provinces to provide opportunities for the poor farm households and conflict affected communities. Attention to more equitable sharing of economic gains from investments in commercial agriculture modernized value chains will be paid during the process of farmer producer organization establishment with active support from the implementing agencies.

While no large scale risk or risk of irreversible negative social impact are foreseen, a number of potential risks deserve close attention during implementation, including the following: (a) women-headed and poor households may be especially vulnerable and their participation in project activities might be limited resulting in inequitable production arrangements within farmer producer arrangements or partnership arrangements with agribusinesses; (b) despite more efficient organizational arrangements for agriculture production, market risks will remain substantial, and timely access to market information will remain challenging; this may result in producer organizations not being able to assess market and demand conditions adequately; (c) modernized agriculture requires more investment while some of the proposed commodities may provide returns only with some time lags; poorer households may therefore face increased risk of indebtedness because of their motivation to participate in the project; (d) the producer arrangements promoted under the project will require the organization and streamlining of large numbers of smallholder producers under unified production and land management arrangements, requiring special attention to ensuring voluntary and fully informed participation.

There are no specific safeguards related risks identified which require robust mitigation measures. Most of the land requirements for agriculture technology demonstration and development activities will be met within the existing land areas of respective agencies and in the Government owned lands. Most project-supported physical interventions facilities are expected to be of relatively small scale at household or village levels on existing farmland of households that are participating in the selected sub-projects on a voluntary basis, following consultation. However there might be some additional land requirements for access roads, market facilities, agriculture produce storages in certain locations. Specific activities would involve, for example some land preparation, construction of small-scale household level green houses, installation of on-farm irrigation equipment. In addition, the construction of storage facilities and facilities for product processing and others at the level of producer organizations or agribusinesses are likely to require some land and may generate a land acquisition case, if land is not donated voluntarily or can not be made available from State land.

The Project will not encourage private land acquisitions. Targeted constructions, expansions and development of project facilities will be confined to government/state lands. Based on discussions and stakeholder consultations, the Project will have the following four options for taking the possession of land for subproject interventions (Table 2):

**Table 2: Land use options for subproject implementation**

Land Taking Option	Estimated amount and procedures
Use of Government/State Lands	<b>This is the main method to obtain lands for project investment it is expected around 90% of the land requirement will be covered through this option.</b> Such land vested with the Divisional Secretary or any other State agency can be transferred to the Project Implementing Agency through a memorandum of understanding/legal land transfer agreement.
Acquire private land through	If government land is not available, private land can be acquired for a public

Government LAA	purpose though the government’s land acquisition procedure prescribed in the LAA.
Private land through direct purchasing	Project executing agencies can also engage in direct purchases through willing buyer- willing seller procedure and reach a negotiated settlement.
Voluntary land donations	Past project experience shows that this is viable strategy to obtain small plots of land in rural areas to widen /improve agriculture roads and irrigation infrastructure development etc.

### 4.3 Social Screening and Categorization of Involuntary Resettlement Impacts

Screening of subprojects for assessing their potential Involuntary Resettlement impacts will be carried out by the respective implementing agency/regional project offices during the preparation using the Social Screening Format given in Annex-1. Based on the screening data on the extent of likely impacts, sub-project safeguard requirements will be only B and C category as defined below. The project will not support any A category subprojects.

- Not significant (Category B) – If, as a result of the sub-project, fewer than 200 people will be physically displaced from housing or lose less than 10% of their productive (income- generating) assets, Abbreviated Resettlement Plans are prepared commensurate to their impacts;
- No resettlement effect (Category C) – If the subproject does not require temporary or permanent land acquisition, and there are no impacts involving the loss of land, structures, crops and trees, businesses or income, no resettlement plan is required. This category also includes temporary but not significant impacts which will have to be mitigated as a part of construction management in consultation with the Affected Persons by the Contractor.

The screening and categorization of impact on involuntary resettlement will be initiated by implementing agencies, in this case PMU. Sub PMUs and provincial cells of the project management either with its own social specialists and other relevant staff or, if there are no such skills, with the help of external consultants. The social screening report will be prepared by the Social Development Specialist of the PMU, reviewed by the PMU and submitted to the Bank for clearance.

**The Project does not support any subprojects involve physical displacement or resettlement of people.** Nevertheless, in a situation any subproject that private land acquisition unavoidable and causing significant resettlement impacts will require a full scale Social Impact Assessment (SIA)/census survey and will require preparation necessary resettlement planning documents (Resettlement Action Plan (RAP),and /or Abbreviated RAPs) If a sub-project has no adverse impact, a social screening report and/or due diligence report (DDR) will be submitted confirming the same and with reasons for the same. Social DDRs, abbreviated and full RAPs will be shared with the WB for review and clearance prior to the award of civil works contracts. Both full and abbreviated RAPs shall ensure that compensation, rehabilitation, and relocation arrangements are planned and budgeted, meeting the agreed resettlement policy requirements. Once finalized, the RAP must be approved by the PMU and cleared by the Bank. The RAP will be disclosed locally with translation and in the Bank’s Infoshop. Table 3 summarizes safeguards documentation requirements.

**Table 3: Type of Social safeguards documents required in Project preparation**

Coverage of Social Impacts	Type of Documents Required
For sub projects which will result in minor impacts affecting access to farmlands, residences, improvement of existing properties during subproject implementation	Social Screening and /or Due Diligence Report explaining the procedures adopted to minimize negative impacts and measures taken to mitigate construction induced impacts
For investments of sub projects which will result in affecting less than 200 people, land acquisition but not physically displaced and/or losing less than 10% of their productive assets.	Abbreviated Resettlement Plan is required. Outline of Abbreviated Resettlement Plan is provided in Annex-2.

Please refer Annexes for formats for Screening & templates for ARAPs.

#### 4.4. Entitlement Framework

Although there will be no major resettlement impacts or large scale land acquisitions anticipated under the project, an Entitlement Matrix (EM) has been developed to address potential resettlements impacts that may cause due to any private land acquisitions or physical and economic displacement of people.

As per the Bank and Government policies, any involuntary land acquisition will be compensated at replacement cost as per the LAA regulation of 2008 and the APs will be assisted to re-establish their living standards (affected shelter and incomes) to a level to or better than their living condition prior to the project.

The LA Regulations of 2008 provide detailed guidelines for determining compensation at current market rate for land and replacement (reconstruction) cost for structures without deducting any depreciation. The LA Regulations, 2008 also provide for offering compensation for damage caused by any severance or injurious affection and disturbances caused due to land acquisition based on evidence furnished by the affected party including all expenses. In 2013, further amendments to the LAA has been made and compensations payments covering extra coverage of damages to the properties, structures and other uncounted damages through ex-gratia payments to the Project-affected Persons.

The Entitlement Framework has been worked out considering the analysis of impacts and the nature of the losses that the APs suffer due to project activities. First, the APs are entitled to receive compensations for losses covered under the LAA No 09 of 1950, Land Acquisition Regulation 2008 & 2013. Secondly, because the LAA, LAR 2008 & 2013 do not address all types of losses, ASMP resolved that the involuntary resettlement safeguards and policies (NIRP and World Bank Policy OP 4.12) to apply to address all other types of losses that are not covered by national laws. Following s EM explains the category and type of loss and the eligible category for entitlements. Table 4 below describes the entitlements of different categories of APs.

**Table 4: Entitlement Matrix**

Sr. No.	Type of Loss/ Disturbance	Definition of AP	Entitlement	Details
<b>1. Private Land Without Structure</b>				
	Loss of land due to project related activities	Legal title holders/ affected parties with land use rights recognized under the law	Compensation at replacement cost	Compensation for affected land cost as per LAA Three months advance notification for harvesting standing crops, or compensation for crop damage. Compensation for trees affected at current market price and allows AP to retain felt trees. Applicable interest on compensation amount for delay in payment of compensation calculated from the date of taking over possession of land as per LAA. Compensation for the remaining portion of the land which is economically non-viable at replacement cost if the affected person is willing to surrender if not covered under the land acquisition regulations of 2008.

<b>2. Residential Land and Structures</b>			
Permanent and full loss of private land and residential structure <sup>1</sup>	Owner – occupants with title or other ownership documents recognized under the law	Compensation as per LAA	Compensation for the whole plot valued as per replacement cost (new regulation) after acquisition if the remaining portion* is not developable. The relief to be provided if not covered under land acquisition regulations of 2008 For disputed titles, compensation will be deposited in courts. The project can take over the land without the affected receiving the compensation money Full compensation for the structures/ properties before take them into physical possession
	Non-resident Owner of land and structure with title or other ownership documents recognized under the law	Compensation at replacement cost  Income Restoration Assistance if leased within one year prior to the cut-off date	Compensation for affected land as per the LAA
Loss of Residential Structure	Non title holders (Squatters)	Rehabilitation Assistance	Compensation for affected structure as per 2013 LA regulations and NIRP provisions. Compensation for affected and structure at replacement cost as per existing laws and regulations without depreciation according to the actual loss to repair or rebuild the structure to original or better condition.
	Non-Resident Owners of Land and Structure with title	Compensation & Resettlement Assistance	Compensation for affected land and structure at replacement cost as per existing laws and regulations without depreciation according to the actual loss to repair or rebuild the structure to original or better condition when remaining land is sufficient to rebuild upon as per LAA
Partial loss of residential structure	Squatters living in structures without title	R&R	Compensation only for the affected structure at replacement value according to the actual loss to repair or rebuild the structure to original condition when remaining part is sufficient for rebuilding. Minimum compensation SLR 300,000.

<b>3. Commercial land and Structures</b>			
Permanent for full loss of commercial property	Owner-Operator of registered business with title or sale deed in his/her favor	Compensation as per the LAA R&R Assistance	
	Non-resident property owners with title	Compensation as per LAA	
<b>4. Loss of Livelihood</b>			
Loss of Livelihood due to relocation	Any families including vulnerable and women headed families losing income due to relocation.  Poor self-employed persons.	Rehabilitation Assistance <sup>2</sup>	Cash compensation (Minimum of Rs 25,000/= or amount determined by the Valuation Department) will be provided livelihood losses resulting from project intervention.  Assistance for obtaining training, credit access and skills training, support for maximum two youths (one male and one female) from the resettled families for livelihood strengthening for a maximum period of six months with the help of CBOs/CSOs.  Vulnerable families eligible for government welfare assistance will be assisted to get any government benefits available.
<b>5. Temporary Impacts</b>			
Temporary Adverse Impacts of Civil Works (loss of access, damage to property/ land, safety hazards, impact on mobility)	Households/ Businesses	Mitigation measures	Public notice at the site informing the people about: work schedule, likely temporary impacts, signage, safety advice and mitigation measures, contact details of officer in charge and GRM. Special measures to provide access for continuing trade/business  Necessary Health and Safety measures to be undertaken as a part of Environment Management Plans including measures for sound and dust pollution, minimize hazard risks through signage and safety barricades, first aid facilities at work sites/camps, etc.
<b>6. Loss of Community Infrastructure/Common Property Resources</b>			
Loss of cultural properties	Affected communities and groups	Reconstruction of community structure and common property resources	Reconstruction of community structures and replacement of common property resources in consultation with the managing trustees of such properties as appropriate
Loss of social and civic facilities	Affected communities User groups	Rehabilitation of the affected facility	Reconstruction of the civic and social service facility in consultation with the managing trustees as appropriate.  Provision of temporary services during civil works to avoid inconvenience to the user group

#### 4.5. Procedure for Land Donation of Community and Individual Lands

The experience from previous rural sector, local government and CDD projects suggest that small plots of lands were largely made available through voluntary donations or from government owned lands where the public agency is prepared to transfer such small lands to the community organizations (e.g. donation of private and public lands for rural roads, small irrigation system development, local market complexes, rural water supply schemes were common method for obtaining small land plots under Genidiriya project, Reawakening Project, and NELSIP).

Although project does not encourage voluntary donations in principle, the community based organizations, farmer producer organizations and other local institutions participating in project activities have the right to accept or decline voluntary land donation's from beneficiaries. In case of voluntary land donation, the Project will ensure the following:

- The land to be obtained through voluntary donation is free of any structures or assets;
- The land size is to be a small area (less than 10% of total land owned by individual owner) that its donation does not negatively impact on the livelihood of the owner;
- The voluntary nature of donation is fully and independently verified;
- The land is unencumbered of squatters, tenants, sharecroppers or any other dependents and conflicting claims;

The community based mitigation measures are acceptable and a consent letter from the land owner granting permission for the use of the land for project activities and any interested parties give up all claims to the donated land and that the land is officially transferred in the name of the subproject managing agency.

Title of the donated land will only be transferred to the Government agency and not to any community organization.

A legal contract will be instituted which would include details of the land being donated; formal consent of the land owner/interested parties, and the witnesses..

## 5. Grievance Redress Mechanism and Stakeholder Consultation

### 5.1 Project Grievance Redress System

The project will establish a Grievance Redress Mechanism (GRM), which will be transparent, objective and unbiased to address any issues or grievances related to both environmental and social safeguards. The GRM will operate at three different levels (Table XX).

The lowest level of the GRM is at the site (sub-project) level where the sub-project executing farmer producer organizations and/or contracted firms will keep a feedback register and receive complaints, comments or suggestions from the public, civil society representatives, farmers and local level stakeholders.

The project team will review the feedback and take appropriate actions. The middle level will operate at provincial PMU/ regional project office level. This second tier of GRM will seek to resolve an issue quickly and transparently out of courts in order to facilitate activities to move forward. It will respond to grievances brought to their notice by the general public and social audit committees, farmer producer organizations and other stakeholders. All grievances received will be entered in a dedicated database and updated regularly at the PMU level. A database will include information on the date of receipt of grievance, type of grievance and resolution and the date of resolution. The GRM will be monitored regularly, as it provides feedback on the functioning of the project. The PMUs will submit regular progress reports on the number of grievances received and resolved by different participating institutions as part of the overall safeguards monitoring of the project. Please refer Annex 8 for GRM guidelines on Component 1.

At the national level, all stakeholders, including community groups, will have the opportunity to make complaints related to the project through a **Grievance Redress Service** (GRS) of the Bank. This system allows communities and individuals who believe that they are adversely affected by a World Bank supported project to submit complaints to the World Bank's GRS. The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaints to the World Bank's Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's GRS, visit (<http://www.worldbank.org/GRS>). For information on how to submit complaints to the World Bank Inspection Panel, visit [www.inspectionpanel.org](http://www.inspectionpanel.org).”

**Table 5. Consultation Activities for Various Stages in Project Cycle**

Level	Members	Roles & Functions
Subproject/site level Grievance Redress Committee	Local CBO/FO representatives /sub-project Implementing Agency/ Community Mobilizer/CDO of the project	Receive and resolve I complaints/suggestions form the Public. Project beneficiaries. Take actions to resolve grievances. Maintain complaint box/ register at site level. Submit bi-weekly report to Sub level PMU
Sub/local PMU level Grievance Redress Committee	Social Development Officer of the Project/ CBO Representatives/ Social Audit Committee members	Review unresolved complaints at site level. Inspect /specific issues at the field and conduct consultations with affected parties/ prepare bi-weekly report to PMU with actions taken and issues for further attention
PMU/Project Level GRC	Project Director/ Representatives of implementing partner agencies/ representatives from social audit committees/ CSOs	Review reports/Grievance registry on monthly basis. Direct project staff/contract agencies/farmer organizations to take appropriate actions/ Decide on procedures to monitor actions

## 5.2 Consultations and Public Disclosure Procedure

Consultations with direct and indirect beneficiaries and stakeholders will be conducted as part of the participatory process for designing and implementing sub-projects. Providing accurate and detailed information about the project at the planning stage will prevent misconception; help build trust between the affected population and the project; and enhance transparency. Consultation will aim at: sharing information; listening to feedback; engaging citizens in decision making; and involving stakeholders in participation in the implementation process. Consultations will also enable the project team to hold joint discussions with the beneficiary communities; share ideas about planning and implementation; and benefit from local knowledge to take more informed decisions. Consultation will take place in form of public meetings, focus group discussions, sub-project specific community consultations as part of the social screening and resettlement planning process and direct one-to-one consultations.

## 5.3 Stakeholder Analysis, Consultation and Participation

Stakeholders are those who have direct interest in the project and who will be participating in the consultative process. As the initial step it is necessary to identify the primary and secondary stakeholders. Some of them may have different opinions of the project interventions while still others would support the project.

Primary stakeholders include the Project Affected Persons, the beneficiaries of the project, the Project participating agencies, farmer producer organizations, Provincial Councils, the Ministry of Plantation Industries and Export Agriculture (MPIEAEA), Ministry of Agriculture (MOA), Ministry of Finance and Ministry of Land and Land Development. Other stakeholders are those who have an interest in the project such as the provincial and local government authorities, provincial departments and ministries, registered civil societies and other private and public sectors which have indirect involvements with the project.

Affected Persons should be fully informed of their rights and responsibilities from the very beginning of the process to achieve transparency and understanding between the Affected Persons and the project implementers. In order to achieve this, the information should be made accessible and understandable and where necessary, information must be translated into the mother languages of the affected population. A communication and awareness campaign will be implemented to disseminate information to the public through such communication tools as public media, public notice boards, newspapers, leaflets, flyers and door to door visits.

A Public Information Booklet (PIB) will be used as an information dissemination technique which needs to be delivered to DS and district level agencies to promote competitions and innovations in technology development and to promote vulnerable and poor farmer groups including women to take part in project activities. The PIB will include the following information:

- Brief Account of the Project
- Potential impacts which can be expected during the project
- Entitlements for damages and losses due to project interventions
- Consultation and participation of APs and communities
- Implementation Schedule with name and designation of key officers in charge, and,
- Persons to be contacted for further information with contact details.

Consultation and participation aim at obtaining stakeholder cooperation and community engagement throughout the project cycle where both primary and secondary stakeholders have opportunities to meaningfully contribute to the development process. These processes can be undertaken in stages such involving Project Identification Stage, Project Planning Stage and Project Implementation Stage.

**Prioritization Stage.** The PMUs, provincial agencies, and Divisional Secretariats will disseminate project information to the beneficiary communities at districts and sub-project level and stakeholders at the divisional and district levels during the project initiative or preliminary stage. The community at village level will be consulted and the project alternatives and necessary feedback obtained.

**Project Planning Stage.** Sub-project information would be disclosed to the affected/beneficiary communities towards increasing their awareness and to ascertain their roles and responsibilities. As this planning stage the participants will be involved in more interactive process where the communities, project designers and planners engage in identifying the best fit alternatives and options in finalization of the detailed designs. Consultation with the project Affected Persons and their profiling are mandatory requirements for preparing the resettlement and community mobilization plans.

**Implementation Stage.** The PMUs directly interact with the affected and beneficiary communities more closely during this stage. Mostly, the interactions and dialogue will be preparing social management plans to mitigate/minimize adverse impacts, organize communities to support project activities, and establish and ensure functioning of GRMs and citizen engagement mechanisms the project implementation. Project participating agencies will be assisted in explaining and guiding them in resolving the issues in a more productive manner that would support project implementation as planned and at the same time addressing the issues and concerns of the APs and beneficiary communities to their satisfaction, thus adhering to the principles and guidelines for resettlement and social management activities above mentioned.

Following review by the Bank, the safeguards instruments including RAPs/, s will be published on the Infoshop and disclosed locally on the ministries’ websites, PMUs and at Divisional Secretariats of project areas. All safeguards documents will be translated into local language prior to local disclosure.

Table 6 indicates the key activities which need to be carried out during the preliminary, planning, designing and implementation stages.

**Table 6. Consultation Activities for Various Stages in Project Cycle**

Project Stage	Consultation Activities
<b>Project Identification and Preliminary Stage</b>	Identify project stakeholders (primary and secondary); Involve stakeholders in the consultation process; Organize information material and plans for dissemination; Organize and document public meetings; and Identify needs for a social preparation program if resettlement impacts are going to be generated.
<b>Project Planning and Designing Stage</b>	Convene and record meetings with potential affected persons and or potential beneficiary population; Consultations with APs on implementation for social mitigation plans ; Obtain inputs from potential displaced persons, hosts, CBOs on selection and development of resettlement sites; Establish Grievance Redress Committee (GRC) procedures, representatives of APs;
<b>Implementation Stage</b>	Organize participation of the potential affected persons in implementation of the social management Plan; Involve CBOs and other suitable institutions community mobilization/ resettlement efforts; Support from CBOs and Stakeholders / Private Sector in livelihood and income support activities; Involve APs in decision-making committees; Ensure that GRC procedure is functional; and Involve APs/SACs in monitoring and evaluation.

## 6. Institutional Arrangements for Project Implementation

### 6.1 Project Management Framework

Project implementation will entail the creation of project management unit (PMU) at both the MPIEA and MOA. The institutional responsibilities and arrangements for project implementation would be established for the participating ministries at the national and subnational levels, as follows:

**MPIEA** will be responsible for implementing Component 1, sub-components 1.1 and 1.2, and will oversee the a Project Management Unit (PMU) to be responsible for overall project management of Component 1, sub-components 1.1 and 1.2, including annual work and budget planning, coordination of the Department of Export Agriculture in Kandy and the three regional offices (Kilinochchi, Ampara, Matara), procurement, fund withdrawal and financial reporting; technical and institutional aspects of implementation; general oversight, field supervision and acceptance checks; and training and capacity building, and the periodic progress reporting to the Bank. The PMU would be led by a Project Director and include: a Deputy Project Director, a Financial Management Specialist/ Accountant; a Procurement Officer, a M&E officer, an Environmental Officer, and a Social Development Specialist, as well as various technical subject matter specialists that would be recruited on demand basis. Matching Grants Program Secretariat. A separate Secretariat would be set up in the PMU of MPIEA to manage the day-to-day implementation of the matching grants program, including public advertising and solicitation of value chain investment proposals, providing and managing technical assistance support to improve proposals of agribusinesses and farmer cooperatives to meet project eligibility criteria and ensure technical and business feasibility.

**MOA** would set up the following project-relevant units and entities for Component 2. A PMI would be set up in MOA to be responsible for overall day-to-day coordination and management of Component 2. The PMU would be responsible for annual work and budget planning; coordination with provinces/ districts in public outreach and community mobilization, procurement and contract management, fund withdrawal and financial management, including and financial reporting; technical and institutional implementation aspects, field supervision and acceptance checks; and training and capacity building. The PMU will comprise a Project Director, Deputy Project Director, Financial Management Specialist/ Accountant; Procurement Officer, M&E officer, Environmental Officer, and Social Development Specialist. Technical subject matter specialists can be appointed with project support as needed.

The PMUs' main role will be to ensure operational compliance with World Bank Operational Polices as defined in the Project Appraisal Document, Financing Agreement, and Operations Manual, and with Government policies, as applicable. Each PMU will be led by a Project Director and will include a team of specialized staff responsible for project management, financial management, procurement, environmental safeguards, social safeguards, monitoring and evaluation, civil works design review and contract management, as well as support staff such a secretary, fiduciary support staff and a driver.

The PMU will also recruit specialized consultants necessary for specific technical assistance for overall implementation of activities. The PMU will liaise closely and also ensure overall coordination of all Project entities to ensure necessary data and information are shared and collated for reporting to Project Steering Committee and the World Bank.

## 6.2 Institutional Arrangements for RFP Implementation

Both PMUs will second or recruit social safeguards specialists to focus on the tasks and responsibilities outlined in the RPF. The Provincial PMUs will also recruit safeguards specialists to work with the PMUs.

**The Social Development Specialist at the PMU in MPIEA** will be responsible for the implementation of all steps presented in the RPF , including compliance of Bank safeguards requirements, prepare safeguards documents, social screening for the Grant Application Assessment for the Matching Grant Program. Providing technical guidance to applicants on social screening, preparation of social risk management and monitoring/reporting on compliance of due diligence mechanisms set forth the SMF. He/she will be responsible for the preparation of regular compliance summaries and communicating through the PMU to the Bank on social safeguards issues and progress of safeguards management at intuitional level.

**The Social Development Specialist at the PMU in MOA** will be responsible for the implementation of all steps presented under the requirements for social screening of sub-project proposals under Component 2. The preparation of social safeguards documents, such as SSR, DDRs, and monitoring/reporting on compliance of due diligence mechanisms set forth the SMF. The Social Development Specialist is also responsible for the preparation of regular compliance summaries and for communicating to the Bank on social safeguards matters through the PMU.

Although leading Government agencies at the central level have considerable experience in safeguards management, including resettlement planning and implementation, most of the provincial agencies involved in the project require orientation and capacity building training on social safeguards. The project will carry out a series of training on management of land acquisitions and resettlement planning at national and provincial level. After identifying all relevant participating agencies, recruitment of social development staff for the PMU and provincial PMU, a capacity building training plan will be developed and implemented to equip with necessary skills and knowledge for social safeguards management.

## 7. Safeguards Monitoring Arrangements.

Sri Lanka has demonstrated good capacity for implementing and monitoring environmental and social safeguards in Bank-financed projects. Implementation experience and capacity, however, is currently limited in MPIEA and MOA. The Bank will provide capacity building training on safeguards for the PMUs of MPIEA and MOA, which will also be staffed each with a dedicated social safeguards specialist each who will be responsible for social safeguards implementation and supervision under the respective project components in compliance with project regulations. The social safeguards specialists will have overall responsibility to coordinate and oversee implementation of the social mitigation plans stipulated in safeguards documents such Screening reports, DDR and RAPs. These positions have been fully costed in the project's detailed cost tables.

The M&E and reporting system is integral to social safeguards. The Project will establish a M&E and reporting system to ensure the efficient and effective implementation of the project and its compliance with social safeguards. The M&E and reporting system will also ensure that proposed mitigation measures are implemented effectively to realize their intended results. The M&E system will include guidelines and terms of reference, monitoring indicators, mechanisms and methodologies, frequency, documentation and reporting arrangements. Associated cost with safeguards monitoring have been included in the project cost.

Monitoring will be conducted at both internal and external levels. Internal monitoring will be carried out by the PMUs and the implementing partner agencies at the sub-project level. Internal monitoring will focus on timely execution of safeguard activities in compliance with the RPF, including the conduct of screening, impact surveys, mitigation planning, implementation of Resettlement Action Plans, if any, disclosure and consultation, grievance registration and resolution, disbursement of entitlements, support to vulnerable groups, gender mainstreaming activities, and citizen participation and consultation.

The PMUs will also establish an external monitoring process with an independent qualified consultant appointed to review and monitor the project's compliance with safeguard measures and to identify the strategies required for strengthening the social safeguards, including social safeguards, gender mainstreaming, community participation and citizen engagement, functioning of GRMs, and socioeconomic benefits of various project interventions on poverty reduction, in particular its impact on local farmer communities and their livelihood.

Please refer Annex 6 for sample formats for Safeguards Monitoring and Annex 7 for Reporting.

## Annex 1 Sri Lanka's Legal and Regulatory Frameworks on Land

### Land Acquisition Act (LAA) No 9 of 1950

The policy and the regulatory framework for acquisition of private land, payment of compensation and involuntary resettlement in Sri Lanka is governed by the Land Acquisition Act (LAA) No.9 of 1950 and its subsequent amendments, Land Acquisition and Payment of Compensation Regulations of 2009 and National Involuntary Resettlement Policy (NIRP) of 2001. Land acquisition for public purposes is guided by the provisions, and procedures outlined in the Land Acquisition Act No. 9 of 1950. It was amended several times thereafter, the latest being the Amendment Act No 13 of 1986.

The Land Acquisition Act (LAA) No.9 of 1950 lays down the general procedure for the acquisition of private lands for a 'public purpose' (e.g. development projects), the process of which would take about seventy-two weeks for its completion. The law also stipulates that lands acquired for a particular purpose cannot be used for a different purpose, and lands that remain unused be returned to the original owners. The process stipulated in the Act is as follows.

- The agency which is entrusted with the responsibility of implementing the proposed project (hereinafter called the project implementing agency) or its line ministry prepares a proposal for acquiring the identified land.
- The project implementing agency via its line ministry submits the application to the ministry of land requesting the acquisition.
- The minister of land authorizes the acquisition under Section 2 of the LAA.
- The acquiring officer<sup>3</sup> publishes the Section 2 Notice (intention of acquisition) and sends it to the owner of the land to be acquired.
- The acquiring officer requests the district superintendent of surveys to survey the land.
- The survey department carries out the survey and prepares a plan of the land which is called the 'advance tracing'.
- The ministry of land calls for submission of any objections from the interested parties.
- The owner of the land or any other interested parties submits objections to the secretary of the relevant line ministry.
- The secretary to the ministry or his/her representative conducts an inquiry into the objections raised by the interested parties and submits his/her recommendations to his/her minister. The minister in turn submits those recommendations to the minister of land.
- The minister of land decides to accept or reject the objections under Section 5 of LAA.
- The minister of land issues the acquisition order if he decided to proceed with the land acquisition.
- The acquiring officer requests the survey superintendent to prepare a 'preliminary plan' under Section 6 of LAA.
- The survey department surveys the land and prepares the preliminary plan and submits it to the acquiring officer as well as to the ministry of land.
- The acquiring officer issues the notice of land acquisition under Section 7 in Sinhala, English and Tamil.
- The owner of the land submits his/her claims to the acquiring officer.
- The acquiring officer conducts an inquiry to determine the ownership rights of the land and the compensation payable under Section 9 of LAA.
- The acquiring officer issues the notice of ownership status of the land under Section 10(1)(a) of LAA

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<sup>3</sup> The acquiring officer is the divisional secretary of the area where the proposed land is located

- The acquiring officer requests the valuation department to determine the compensation for the property to be acquired.
- The valuation department conducts the valuation of the land and other properties.
- The valuation department sends the valuation report to the acquiring officer.
- The acquiring officer calls the owner of the land to his office and informs the results of the valuation of the land.
- The acquiring officer issues the Section 17 of LAA award notice which indicates the eligible compensation.
- The owner of the land decides either to accept the compensation or to appeal against the valuation to the Board of Review.
- The acquiring officer takes over the possession of the land under Section 38 of the LAA.
- The acquisition officer hands over the possession of the vested property by way of a certificate under Section 44 of LAA which constitutes a legal title for the land.

The same Act also makes provisions under Section 38 (a) *proviso* to take over the immediate possession of any land on grounds of ‘urgency’, if the Minister of Lands is of the opinion that the land is ‘urgently’ needed for development projects and cannot wait until the compensation inquiry is over. In such a situation, the Minister of Land may issue an order under Section 38 (a) *proviso* after Notices under Section 2 or 4 are published. The acquiring officer will thereafter request the Chief Valuer to prepare a Condition Report of the property, as at the date of taking over, in order to facilitate assessment of compensation to be paid once Section 7 Notice is published later on. The application of Section 38 (a) *proviso* avoids a number of provisions prescribed under the general procedure for land acquisition. This provision in the LAA bypasses the issue of Section 4 Notice, which allows the land owner or any other interested parties to raise their objections to the acquisition of a particular land. Furthermore, Section 38 (a) *proviso* allows the acquiring officer to take over the immediate possession of the land, and vesting it on the institution which has requested the acquisition of such land, before the compensation is paid to the affected parties.

The LAA places the entire burden on the land owners/interested parties to prove ownership or interest in, demonstrate clear title to, gather all information and submit a compensation claim in respect of, land to be acquired. Often displaced persons are not aware of their rights or time frames to be observed under the LAA, or they are aware but are ill-equipped to deal with the procedures required and are not experienced in dealing with various officials and documentation. On the other hand, the LAA does not address all aspects of losses causing from involuntary land acquisition, especially the entitlements of the squatters as prescribed in OP 4.12. Basically, the law is indifferent to the landowner’s present socio-economic conditions or the long term adverse impacts on incomes and livelihood that the acquisition may cause on the affected people. The LAA provides for compensation for lands and other fixed assets built and grown on them (structures, trees and orchards and crops) and for loss of incomes for those who could prove their income losses by documentary proof up to a maximum of average net profit for the three years immediately preceding the publication of Section 07 notice under LAA.

#### State Lands Act No 13 of 1949

This act deals with the provision for the grant and disposition of state lands in Sri Lanka; for the management and control of such lands and the foreshore; for the regulation of the use of the water of lakes and public streams; and for other matters incidental to or connected with the matters aforesaid.

Section 51 of the Act stipulates that title to state reservations cannot be acquired by possession or usage. Section 53 exempts state from liability to pay compensation for improvements effected on reservations. It states that no person shall be entitled to any compensation from the state in respect of any improvements effected at any time after the commencement of this Ordinance on any State land reservation; nor shall any

claim for any such compensation be at any time entertained by any court. Section 54 provides for summary ejectment of offenders in unlawful possession of state reservations.

Section 103 of the State Lands Act provides that no person can by possession or user of land acquire any prescriptive title against the crown if such land is (a) after the commencement of the ordinance declared to be the property of the crown under the Land Settlement Ordinance, or (b) after such date acquired by the crown under the LAA, or (c) after such date resumed by the crown under the Land Redemption Ordinance and has at any time prior to or after the declaration, acquisition or redemption been land marked with boundary marks by or under the authority of the Surveyor General.

#### State Lands (recovery of possession) Act No 7 of 1979

The provisions for the recovery of possession of state lands from persons in unauthorized possession or occupation thereof are contained in the State Lands (Recovery of Possession) Act No 7 of 1979. Further Section 10 stipulates that no appeal is maintainable against an order of eviction by a Magistrate. Section 13 provides for reasonable compensation for the damage sustained by reason of his having been compelled to deliver up possession of such land.

#### Land Development Ordinance No 19 of 1935

This ordinance deals with the systematic development and alienation of crown land of Ceylon (Sri Lanka). Chapter VII of the Land Development Ordinance (LDO) sets out the procedure for cancellation of a state land given on a permit or grant for non-compliance of the conditions of permit. Section 106 gives notice to permit holder where there has been a breach of the condition of permit. If a person failed to appear before the inquiring officer, provision has been made under section 109 of the said ordinance to cancel the permit. Section 110 lays down the procedure where permit holder appears and shows cause for the failure to develop the land as per provision of the permit given to him. Section 112 prescribes the order of Government Agent to be served on the permit holder and to be posted on land. Section 113 provides for an appeal to the Land Commissioner against the order of the Government Agent.

The procedure for ejectment (eviction) of a person in occupation of a state land given on a grant is spelt out in Chapter IX of the LDO. Section 168 of the LDO stipulates the offences in regard to state land. It says that if any person without the permission of the Government Agent clears or breaks up for cultivation any state land or erects any building or structure on any state land, fells any trees standing on such land or otherwise encroaches on such land is guilty of an offence and subject to fine and imprisonment. Thus, the rights of a mala fide possessor are not recognized for compensation for improvement under the laws of Sri Lanka.

#### Urban Development Authority Law No 41 of 1978

Law to provide for the establishment of an Urban Development Authority (UDA) to promote integrated planning and implementation of economic, social and physical development of certain areas as may be declared by the minister to be urban development areas and for matters connected therewith or incidental thereto, this Law may be cited as the UDA Law. No. 41 of 1978, and came into operation on such date as the Minister may appoint by Order published in the Gazette. Act comprises six parts in total.

### Temple and Dewalagam Ordinance:

This Ordinance deals with lands donated to the temples and Devalas (Places of religious significance) by rulers under a deed of dedication, sometimes by Sannasas” (Order) for the maintenance of such institutions. “Rights of the custodian of temples and devalas for the receipt of compensation in the event of land acquisition for public purposes are spelled out in this Ordinance in addition to the other provisions. Under the project, there may arise a need to use part of lands which belong to temples or other religious institutions for water resource development. In such situations, this Act may apply.

### Crown Land Encroachment Ordinance

Crown Lands Encroachment Ordinance (Sec.09) created a presumption that all waste lands, forests, unoccupied and uncultivated lands belonged to the state (then crown) until the contrary was proved. In the case of such lands, this could only be done by the production of sannasas or grant by proof that customary taxes for services were rendered to the crown or other persons as in the case of similar lands held by private proprietors. Illegal occupants of Chena lands (slash and burn) cannot claim prescriptive rights in virtue of undisturbed possession of over 10 years as prescription does not run against the state.

### National Involuntary Resettlement Policy (NIRP)

In Sri Lanka, the LAA only provides for compensation for land, structures and crops. It does not require project executing agencies to address key resettlement issues such as exploring alternative project options that avoid or minimize impacts on people, compensating those who do not have title to, but are currently using and dependent on land, or implementation of income restoration measures aimed at social and economic rehabilitation of displaced persons. Furthermore, it does not deal adequately with the impacts on those occupiers of lands who are not legal owners but whose lands are taken over for development purposes.

To ensure that displaced persons are treated in a fair and equitable manner, and to particularly ensure that people are not impoverished or suffer unduly as a result of public or private project implementation, Sri Lanka has adopted a national policy to protect the rights of all people affected by development projects. To remedy the current gaps in the LAA in addressing key resettlement issues, the Cabinet of Ministers approved on 16 May 2001, the National Policy on Involuntary Resettlement (NIRP) and enunciated its adoption to all development induced resettlement. The Ministry of Lands has the institutional responsibility for implementing the NIRP. The newly adopted policy, principled on human and ethical considerations entails the payment of resettlement value (replacement cost) and arranges for their resettlement and where necessary even their rehabilitation.

The NIRP has three main objectives in implementing to mitigate social impacts of involuntary resettlement under any programs/projects funded by the government or donor agencies: (i) exploring alternative project options which avoid or minimize impacts on people; (ii) compensate those who do not have title to land; (iii) consulting affected people and hosts on resettlement options (v) providing for successful social and economic integration of the affected people and their hosts; and (v) full social and economic rehabilitation of the affected people. NIRP lists following policy principles which are applicable to all development projects.

- Involuntary resettlement should be avoided or reduced as much as possible by reviewing alternatives to the Project as well as alternatives within the Project.
- Where involuntary resettlement is unavoidable, affected people should be assisted to re- establish themselves and improve their quality of life
- Gender equality and equity should be ensured and adhered to throughout the policy application

- Displaced persons should be fully involved in the selection of relocation sites, livelihood compensation and development options as early as possible
- Replacement land should be an option for compensation in the case of loss of land; in the absence of replacement land cash compensation should be an option for all displaced persons.
- Compensation for loss of land, structures, other assets and income should be based on full replacement cost and should be paid promptly. This should include transaction costs.
- Resettlement should be planned and implemented with full participation of the provincial and local authorities
- To assist those affected to be economically and socially integrated into the host communities, participatory measures should be designed and implemented.
- Common property resources and community and public services should be provided to project-affected people.
- Resettlement should be planned as a development activity for the benefit of the project affected people.
- Displaced persons who do not have documented title to land should receive fair and just compensation and assistance
- Vulnerable groups should be identified and be given appropriate assistance to substantially improve their income and living standards
- Project Executing Agencies should bear the full costs of compensation and resettlement.

Adhering to the above objectives, the scope of the NIRP includes all development induced land acquisition or recovery of possession by the State. NIRP requires that comprehensive resettlement frameworks be prepared where 20 families or more are affected irrespective of the source of funding

#### Land Acquisition Regulations of 2013

The Land Acquisition Regulations of 2013 provides development projects to be designated as ‘specified projects’ by the Ministry of Lands with the ratification of the Parliament of Sri Lanka. Eighteen development projects have been declared as ‘specified projects’ in the government gazette No.1837/47 of 22.11.2013. The ‘specified projects’ qualify to establish Land Acquisition and Resettlement Committees (LARC) in the divisional secretariat divisions where the persons affected by land acquisition and dissatisfied with statutory compensation that he/she received can make their representations. The regulations of 2013 provide for a comprehensive ex-gratia compensation package to the project affected persons including non-titleholders who are excluded from receiving statutory compensation for their lost land. Affected parties also have the opportunity of appearing before the LARC proceedings and those dissatisfied with LARC decisions on compensation may appeal to the Super LARC established at national level. In this sense, LARC also serves as a grievance redress mechanism and a mechanism to ensure that affected parties are compensated for their losses at ‘replacement

## Annex 2 Social Screening Checklist

Table on Probable Involuntary Resettlement Impacts

<b>Probable Involuntary Resettlement Impacts</b>	<b>Yes</b>	<b>No</b>	<b>Not Known</b>	<b>Details</b>
Will the intervention include new physical construction work?				
Does the intervention include upgrading or rehabilitation of existing physical facilities?				
Is the intervention likely to cause any permanent damage to or loss of housing, other assets, resource use?				
Is the site chosen for this work free from encumbrances and is in possession of the government/community land?				
Is this sub project intervention requiring private land acquisitions?				
If the site is privately owned, can this land be purchased through negotiated settlement?				
If the land parcel has to be acquired, is the actual plot size and ownership status known?				
Are these land owners willing to voluntarily donate the required land for this sub-project?				
Whether the affected land owners likely to lose more than 10% of their land/structure area because of donation?				
Is land for material mobilization or transport for the civil work available within the existing plot/ Right of Way?				
Are there any non-titled people who are living/doing business on the proposed site/project locations that use for civil work?				
Is any temporary impact likely?				
Is there any possibility to move out, close of business/commercial/livelihood activities of persons during constructions?				
Is there any physical displacement of persons due to constructions?				
Does this project involve resettlement of any persons? If yes, give details.				
Will there be loss of /damage to agricultural lands, standing crops, trees?				
Will there be loss of incomes and livelihoods?				
Will people permanently or temporarily lose access to facilities, services, or natural resources?				
Are there any previous land acquisitions happened and the identified land has been already acquired?				
Are any indigenous people living in proposed locations or affected/benefitted by the project intervention?				

### Social Screening Report Format

#### **A. Description of the Activity/Intervention :**

1. Give a brief introduction about the activity/interventions including the names of implementation agencies, their objectives and benefits.
2. Details about existing conditions of the facilities and proposed civil works with scope
3. Available design maps earmarking site and proposed activities in order to explain work.
4. Whether this is purely rehabilitation of existing facilities or will involve any new works.
5. Is this sub-project closely linked to any other activity not funded under WSSP?

6. Will this sub-project involve any ancillary impact/ activity away from the work site?
7. Time line for completion

**B. Justification of Intervention and Alternative Analysis:**

1. Importance of the proposed activities and why it is taken up:
2. Scenario if the work is not taken up.
3. Scenario if the work is taken up with greater scope of work.
4. What kind of natural disasters this corridor is vulnerable to?: (good if this can be answered).
5. How is the proposed work disaster resilient? (good to answer)

**C. Corridor of Impact:**

1. Where will the activity be taken up, where does it (drain/road, canal) pass through: markets, residential areas, green fields, USS, etc.
2. Brief socio-economic profile of the work site and impact area, beneficiary/affected communities: businesses, livelihoods;
3. Who all will benefit, and welcome the work? Who may oppose the proposed work?

**D. Social Impact Assessment ( based on screening checklist findings) Screening**  
**Describe both positive and negative impacts**

**E. Estimation of Specific Impacts**

Components of the Sub Project	Private land required In Sq. m.	No of Land owners losing more than 10%	Governmental land required in Sq. m.	Forestland required in Sq.m.	No of houses affected	No of shops affected	No of other structures affected	No of squatters affected	Public utilities affected

**F. Information on Affected persons**

Any estimate of the likely number of households that will be affected by the sub project?

- No.  Yes. If yes, approximately how many? .....
- No. of HHs losing <10% of their productive assets  
(land/cowshed/shops).....
- No. of HHs losing 10% or more of their productive assets?.....

Are any vulnerable households affected?  No.  Yes. If yes, please briefly describe their situation with estimated numbers of HHs?

What are the needs and priorities for social and economic betterment of vulnerable people who are affected by this project?

**H. Decision on categorization**

After reviewing the answers above, it is determined that the sub project is:

- Categorized as an A project, a full resettlement plan is required
- Categorized as a B project, an abbreviated resettlement plan is required
- Categorized as an C project, no RP is required, Only Due Diligence Report is required

Approval and Submission

**Prepared by:**

Social Development Specialist

Date

**Approved by:**

Project Director

Date

## Annex 3 - Social Screening Checklist – finalized for Matching Grant Program



### Ministry of Plantation Industries and Export Agriculture AGRICULTURE SECTOR MODERNIZATION-ASMP



**District:** \_\_\_\_\_ **DS Office :** \_\_\_\_\_ **GND :** \_\_\_\_\_  
**EOI NO:** \_\_\_\_\_ **Project title:** \_\_\_\_\_  
**Name of Proponent:** \_\_\_\_\_ **Contact Details:** \_\_\_\_\_  
**Details of Farmer groups supported:** \_\_\_\_\_  
**Name of Matching Grant Manager:** \_\_\_\_\_ **Region :** \_\_\_\_\_

### Social Screening Form

#### SUB-PROJECT DESCRIPTION:

APPLICANT'S INPUTS					Official use only
1. Project Details: (Give brief details of current situation and planned/proposed activities- e.g. construction, provision of material for farmer outreach, purchase of equipment, training etc. & size/scale of operation, land & building)? <i>Subproject details/background:</i> <i>Current situation:</i> <i>Planned/proposed activities:</i>					
2. Brief details/community profile of project target divisions/GNs and about the existing condition/situation of the <u>project area.</u> ) <i>Community profile:</i> <i>Subproject area:</i>					
	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Remarks/details</b>	
3. Are there design maps available that mark out the site and proposed activities?					
4. Will the sub-project involve any new physical construction work or upgrading/rehabilitation of existing physical facilities? If Yes, give details.					
5. Has the project consulted relevant stakeholders (relevant GN/DS officers, community/farmer groups, suppliers etc.) ? pls provide details.					
6. Will anyone/group oppose the work? If so, who might object to the proposed work, and why?					

#### PROJECT BENEFITS (LINKED TO ISSUES OF EXCLUSION)

	Yes	No	N/A	Remarks/details	official use only
7. Give details about the project's benefits (incomes, skills, new technology, living standards & social conditions, # of farmers/groups that will be supported)					
8. Does the project create opportunities for women & vulnerable groups – to benefit/participate in project activities and to access to markets/resources/services ? (i.e. from poor households, women headed families etc)					
9. Does the project give priority to use local resources include hiring employees from the local communities?					

#### SOCIAL IMPACTS

	Yes	No	N/A	Remarks/details	official use only
10. Is the project likely to cause any loss/damage to land, housing, structures, assets, public utilities etc.? If Yes, give details					
11. Will the project cause any disturbances (noise, dust, vibrations, access issues etc.) ? if yes, pls give details					
12. Will there be any impacts on livelihoods/businesses construction (both temporary & permanent) ?					
13. Will there be any impact on access to natural resource, facilities, utilities/services – i.e. water, electricity etc.?					
13. Is the project likely to cause any damage/loss to crops/trees ? If yes, give details.					
14. Is the site chosen for this work free from encumbrances/squatters?					
15. Is there additional land to store material/equipment/setup labour camps and access roads to the site available?					
16. Does the proposed project adversely harm local communities' culture, norms and values, quality of life ?					
17. If the project involves construction, will there be workers brought from outside ? pls mention any possible impacts.					

#### LAND REQUIRMENTS

Please mark ( X)	Yes	No	N/A	Remarks/details	official use only
18. If land is already in possession, type of land Ownership for the proposed project 1. Owner owns the Land ( ) 2. Belongs to Company ( ) 3. Transferred/Leased from GOSL (provincial council/temple land/industrial zone etc.) 4. Transferred to company by Board Member ( ) 5. Other ( ) pls explain					
19. If land is already in possession, are the deeds /valid agreements in place?					
20. If land is not in possession 1) To be purchased from private entity ( ) 2) To be leased from Private entities ( ) 3) To be leased from GOSL(provincial council/temple land/industrial zone)- ( ) 4) To be acquired ( ) 5) Other – e.g. donations ( )					
21. If land to be purchased/leased/acquired, has the land been identified?					
22. If land is identified, is the wiliness/consent of the relevant party available ? pls explain & annex any consent letters.					

#### Project Beneficiaries:

Project Beneficiaries:	Numbers - existing	Numbers – planned	OFFICIAL USE ONLY
# of Men & women employed /Direct benefit	Total #: Female: Male :	Total # : Female: Male :	
# Groups:	Total #: # of womens groups:	Total #: # of womens groups:	
# of Farmers benefited / Indirect Beneficiaries	Total # farmers: Female: Male :	Total # farmers: Female: Male :	

# of differently abled		
Other (e.g. women headed households etc.) .....		

**Estimates of affected population:**

Private land required (perches/ acres)	Landowners losing more than 10% of the landholding (No.)	Government land required (perches/ acres.)	Houses affected (No.)	Other structures affected (No.)	Squatters affected (No.)	Public utilities affected	# of labours (for construction)
0	0	0	0	0	0	0	TBD

**Observations on key issues / impacts:**

Proponent Name and signature - \_\_\_\_\_

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**Social Impact Management Plan (SIMP)**

Issue / Impacts	Mitigation Measures	Responsible
	•	
	•	
	•	
	•	

Checked by:

\_\_\_\_\_  
Name & Signature of Authorized Officer

\_\_\_\_\_  
Date

**DECISION OF SOCIAL DEVELOPMENT SPECIALIST ON CATEGORIZATION OF SOCIAL IMPACTS**

After reviewing the answers above, it is determined that the sub project is: .....

X	CATEGORY	වර්ගීකරණය (මාර්ගෝපදේශ සටහන බලන්න) Categorization (REFER GUIDNACE NOTE)	සටහන් Remarks
	<b>A</b>	Categorized as an <b>A project - a Full Resettlement Plan is required</b> – involves land acquisition, more than 200 people displaced.	
	<b>B</b>	Categorized as a <b>B project- an Abbreviated Resettlement Plan is required</b> as a result of the sub-project, fewer than 200 people will be physically displaced from housing or lose less than 10% of their productive (income- generating) assets	
	<b>C</b>	Categorized as a <b>C project</b> , no RP is required, only <b>Due Diligence Report is required</b> no impacts involving the loss of land, structures, crops and trees, businesses or income, no resettlement plan is required. temporary but not significant impacts which will have to be mitigated as a part of construction management.	

Recommended by

\_\_\_\_\_  
S&E Name & Signature of S&E Specialist

\_\_\_\_\_  
Date:

## Annex 4 Outline of Abbreviated Resettlement Action Plan

**(a) Project Description;**

Identify Project location and its features and implementing agencies.

**(b) Census Survey of Displaced Persons and Valuation of Assets;**

Potential displacement due to proposed sub-project, assets lost and people displaced from homes or livelihood, and methodology to be used in valuing losses to determine their replacement cost.

**(c) Legal and Regulatory Framework;**

Describe key national and donor policies related to land acquisition, payment of compensation and entitlements. Explain how NIRP and WB safeguard policies will be complied with.

**(d) Eligibility, Description of Compensation and Other Resettlement Assistance to be provided;**

Describe the packages of compensation and other resettlement measures and other assistances that will assist each category of eligible displaced persons to achieve the objectives.

**(e) Consultations;**

Discuss the consultation and participation process in the light of NIRP and WB safeguard requirements.

**(f) Institutional Responsibility for Implementation and Procedures for Grievance Redress;**

Identify main tasks and responsibilities in planning, negotiating, consulting, approving, coordinating, implementing, grievance redress, financing, monitoring and evaluation of the resettlement and rehabilitation.

**(g) Arrangements for Monitoring and Implementation; and**

Specify the arrangements for M&E

**(h) Timetable and Budget.**

Prepare an Implementation Schedule including all resettlement activities from preparation to implementation.

## Annex 5: Template of Legal Contract for Voluntary Land Donations

The following agreement has been made on.....day of .....between Mr./Ms .....aged ..... Resident of ..... GN.....District.....the grandson/daughter of ..... and son/daughter of .....

1. That the land with certificate no.....is a part of .....is surrounded from eastern side by .....western side by ..... on northern side, by ..... and southern side by .....
2. That the owner holds the transferable right of ..... (unit of land) of land/structure/asset .....
3. That the owner testifies that the land/structure is free of squatters of encroachers and not subject to any other claims.
4. That the owner hereby voluntarily grants to the.....this asset for the construction and development of ..... in..... GN/Location, ..... supported by the Agriculture Sector Modernization Project for the benefit of the community.
5. That the owner will not claim any compensation against the grant of this asset nor obstruct the construction process on the land in case of which he/she would be subject to sanctions according to law and regulations.
6. That the PMU/MoA/MPIEA agrees to accept this grant of asset for the purposes mentioned and the voluntary nature of the transfer of the asset.  
That the agency (name of subproject executing agency)/.....shall construct and develop infrastructures under the project and take all possible precautions to avoid damage to adjacent land/structure/other assets.
7. That the provisions of this agreement will come into force from the date of signing of this deed.

---

**Signature of the Owner**

---

**Signature of Grama Niladhari**

---

**Signature of the Divisional Secretary/ Chairperson, Local Authority**

***Witness:1***

***Witness***

## Annex 6 – Safeguard Monitoring Sheet

#	Name of Sub project	SPP Budget (Million Rs)	Nature of activities	Location		SOCIAL Screening Outcomes		SOCIAL Safeguards Instruments	Key Mitigation Measures		Implementation Monitoring		
				City	District	Category	Key potential impacts	Screening Report, ARAP, RAP	Actions	Timeline	Field Supervision Date	Comments / Actions / Recommendations	Safeguards Implementation

## Annex 7 – Safeguard Reporting format

### Overall Summary

- Provide a summary of safeguards implementation
- Update of progress made against actions agreed during missions , mid-term evaluations, progress reviews etc.
- Highlight any ongoing issues and challenges and actions proposed/recommended

Actions Agreed	Responsible Party	Timeline	Update

### Specific updates

#### Preparation of Safeguards Documents & Due Diligence

- A provide a summary regards preparation of safeguards instruments (SSR, ARAP, RAP)
- Give an update of due diligence / safeguards monitoring activities conducted
- Highlight any ongoing issues and challenges and actions proposed/recommended

Type Instruments (SSR, ARAP, RAP)	# Planned	# Under Preparation	# Reviewed/ Cleared	#Disclosed	# of monitoring activities conducted

#### Land Requirements

- Provide an update of all land related transactions and progress made in terms of completing necessary legal requirements before lands could be utilized for project activities .
- Highlight challenges/issues and pending/proposed actions

Type of land	# of plots	Progress	Remarks / remaining actions
Donation (private land)			
Purchase (private land)			
Acquisition (private land)			
Lease or Grant (Government land)			
Own Land (Individual or company)		- Mention if title/ownership verified	
Total			

Grievance Redress Mechanism

- Please provide an update regards the implementation of the GRM
  - o # of GRC committee established vs #s planned
  - o #s reported vs #s resolved
  - o Details of the type of complaints received – give %s based on standard categories.
  - o Levels the complains reported and resolved - #s at tire 1, #s at tire 2 etc.
- Update on awareness raising (including material distribution, displaying of banners/posters etc.) & capacity building activities conducted
- Update on grievances yet not resolved and ongoing actions

	Previous reporting period	Current reporting period	Cumulative
# of grievances received			
# of grievances resolved			
# ongoing resolution resolved			

Stakeholder Engagement & Feedback

- Provide update of stakeholder engagement activities conducted - including information dissemination / communication , awareness creation, consultations etc. conducted.
- Update on the ongoing consultations - key issues discussed, feedback provided by the stakeholder and the responses provided by the project.

	Previous reporting period - # conducted # of indivial engaged/reached	Current reporting period - # conducted # of indivial engaged/reached	Cumulative - # conducted # of indivial engaged
Awareness raising			
Consultations (FGDs, KIIs etc)			
Feedback (surveys etc.)			

Type of Stakeholder & location (beneficiary, government officer – Male/femal)	Type of Engagement (FGD, KII, face-to-face, phone etc.)	Topics / Issues discussed	Feedback provided by stakeholders (beneficiaries, government etc.)	Responses given by the project

Inclusion of Vulnerable groups & Gender

- Update how project has supported vulnerable groups (poor households, WHHs, disabled etc.)
- Also efforts taken to empower women and improve their participation
- Update on #s of vulnerable people benefited – provide gender disaggregated data

### **Grievance Redress Mechanism for ASMP Component 1: Agriculture Value Chain Development**

#### **OBJECTIVE OF GRM**

The main objective of Grievance Redress Mechanism (GRM) is to receive and facilitate early resolution of project related legitimate concerns, complaints and disputes of project affected persons at the grass roots level in order to avoid costly and lengthy judicial process that affect the project implementation and sustainability.

It is intended to address complaints and concerns of affected parties (APs) promptly, fairly, amicably and in consultation with the APs concerned and the involvement of the relevant officers. It does not intend to bypass or undermine or limit communities' right to recourse to alternative systems of grievance redress – judicial, administrative, political, civil society etc. It does not deal with issues of legal standing or matters pending before Courts of Law. Neither will it have jurisdiction over rates and packages of compensation.

The GRM will function throughout the project implementation period and provides a trusted and easily accessible platform for the APs to resolve grievances through discussion and negotiation. It is empowered to review and resolve any social, environmental or involuntary resettlement problems arising from project implementation. It will provide a valuable feedback to the project management.

#### **CONSTITUTION OF GRM**

The project has established a 3-tire GRM to receive and facilitate the resolution of affected persons' concerns and grievances, both social and environmental. This is a formally instituted mechanism with transparent procedures which are gender sensitive, convenient and time bound. It is easily accessible to all segments of the community of Project Affected Persons (PAP) and concerned parties. It is an officially recognized, non-judicial mechanism.

***The first level of the GRM is the site level or the sub project level Local Grievance Redress Committee (LGRC). It comprises of:***

- i. Divisional Secretary, as Chairperson
- ii. Environment officer - PIU
- iii. Social Development Officer - PIU
- iv. Grama Niladari
- v. Village dispute mediation (Samatha Mandala) Member
- vi. Leading CBO member

***The second level GRC is at the Provincial or Regional level, instituted at the Matching Grant Manager's Secretariat, comprises of:***

- vii. Government Agent, as Chairperson
- viii. Director -Export Development Board
- ix. Provincial Director – Agriculture
- x. Director Planning
- xi. Matching Grant Manager
- xii. Representative from reputed NGO / Local person of repute and standing in the area

***The third level GRC established at the PMU comprises of:***

- xiii. Secretary - MPIEA
- xiv. Project Director - ASMP
- xv. Senior Matching Grant Manager

- xvi. Social Safeguards Specialist
- xvii. Environmental Safeguards Specialist
- xviii. Representative from reputed NGO / Local person of repute and standing in the area
- xix. Representatives from the Social Audit Committees or Producer Organizations

***Inspection Panel of the World Bank’s Grievance Redress Service (GRS):***

Additionally, the communities and individuals who believe that they are adversely affected by the project can submit complaints to the Inspection Panel of the World Bank’s Grievance GRS. The Panel promptly reviews the cases and determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures. Complaints may be submitted any time, and after concerns have been brought directly to the World Bank’s attention, the Bank Management has an opportunity to respond. For information on how to submit complaints to the World Bank’s GRS, visit: <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, visit: [www.inspectionpanel.org](http://www.inspectionpanel.org).

**GRM PROCESS**

**Awareness Raising**

For the GRM to be effective, it is necessary that wider publicity is given to the operations and procedures of the GRM. The project will conduct awareness raising programs using a variety of communication methods such as meetings, posters, brochures, print and electronic media to inform the general public, public officers, social organizations, contractors and divisional secretaries in the respective areas, and the project affected persons on the grievance redress procedures. The brochure will constitute the basic reference document for the GRM, and disseminated in Sinhala, Tamil, and English. The posters will be displayed in public places, such as in government offices, Project offices, community centers, hospitals, and health clinics of the area.

**Filing a Complaint**

- The PAPs are free to access GRC at any of the three levels directly or through a representative.
- Complaint boxes will be made available to submit complains in writing. Grievances may also be communicated verbally, or text messages using mobile phones. All grievances received will be first directed to the primary level GRC.
- Each complaint is assigned a number and acknowledged immediately where contact numbers are available or within two days, if no contact number is available.

**Timeframe of GRM**

The GRM has a published time table for dispute resolution:

- The primary level GRC will meet once in three days or more frequently as required, and redress grievances within maximum three days.
- The GRC at the regional level will meet every week. It will address the issues that could not be resolved at the primary level.
- For the third tier GRC at the PMU the GRC will have a timeframe of 14 days for resolution of grievances. It will meet one in two weeks or more frequently. The GRC at this level will focus on the grievances that could not be solved at the secondary level.
- All grievances will be resolved within 21 days maximum.

**Record Keeping & Monitoring**

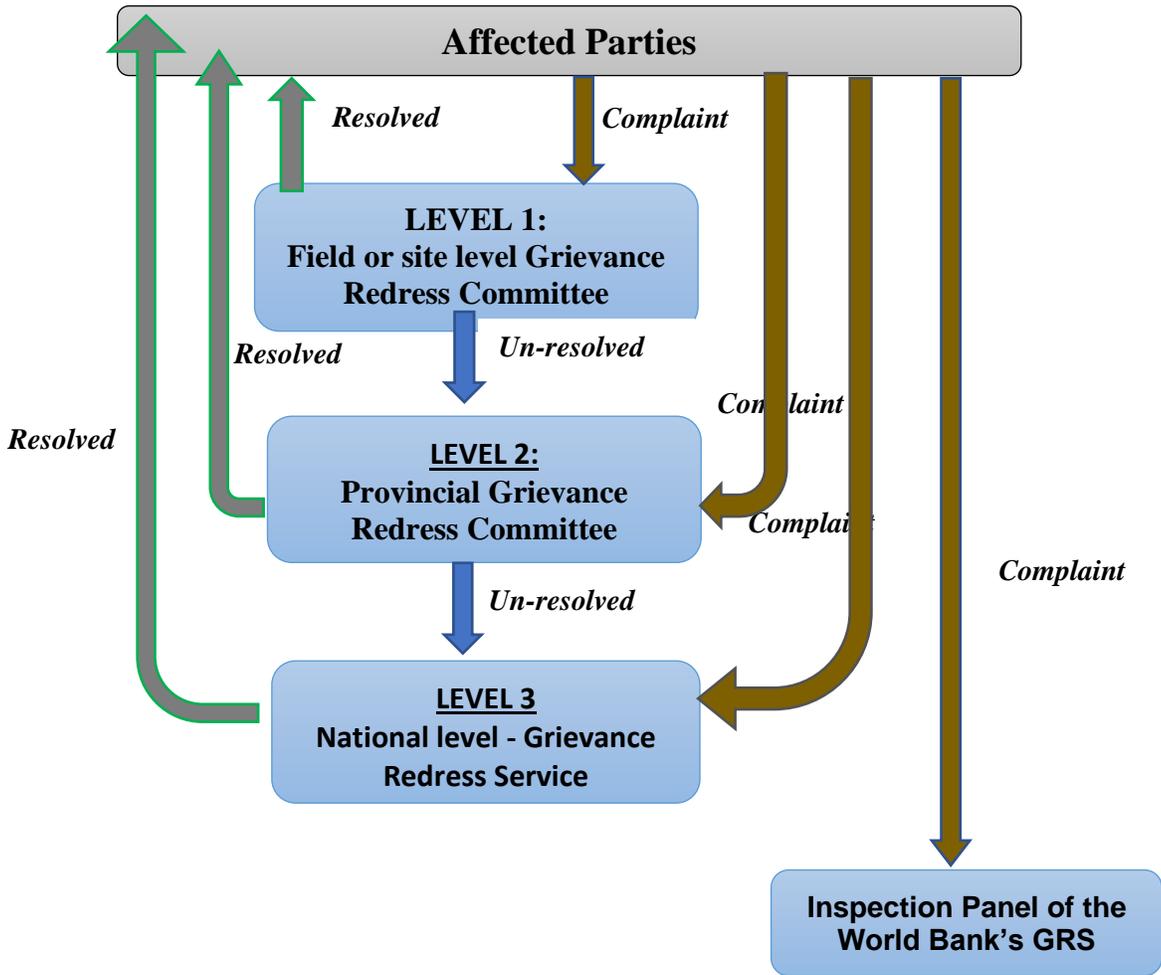
The GRC at the PMU also works as a secretariat for grievance redress where records of grievances are maintained for all the three levels and a data based developed which is updated monthly.

The record indicates the date of complaint received, summary of the complaint, meetings held to redress the grievance, action taken and date of communication to the complainant.

The GRM will be monitored and evaluated to adjust and improve performance in responding to stakeholder needs.

Registers of grievances with similar details will be established at the sub project offices (and other locations such as the individual firms and producer organizations) and the PPMU. The PPMU will submit bi-weekly reports including corrective action and good practice notes to the PMU.

### Flowchart - Grievance Redress Mechanism



Annex 9 – GRM Notice

**Agriculture Sector Modernization Project (ASMP)**



***If you have any concerns or feedback related to the implementation of this project, please contact:***

<b>Grama Niladari</b>	Address & Phone:
<b>Divisional Secretary</b>	Address & Phone:
<b>Matching Grant Manager, Provincial Office</b>	Address & Phone:
<b>Project Director, PMU</b>	Address & Phone:

***“The Grievance Redress Mechanism (GRM) is established under the project with the objective of helping project affected persons to report their concerns, give feedback and resolve their issues through a process of mutual understanding and consensus with the relevant parties***



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**කාණිකර්ම අංශ නවීකරණ ව්‍යාපෘතිය**  
**අගයචුම් සංවර්ධන වැඩසටහන**  
**Ministry of Plantation Industries and Export Agriculture**  
**Agriculture Sector Modernization Project (ASMP)**  
**Value Chain Development Programme**

මෙම ව්‍යාපෘතිය මුහුණත්වන ස්වකීර්ම මගින් අදහස් කරන ප්‍රශ්නවලට ඇත්නම් පහත පැවරෙන සිලබර්ට්ට් දැනුම් ලිපිට සාරභාව වන්න.  
If you have any concerns or feedback related to the implementation of this project, please contact:

<b>ග්‍රාම නිලධාරී</b> <b>Grama Niladari</b>	<small>මිලිනය හා දුරකථන අංකය</small> <small>Address &amp; Contact Details</small>
<b>ප්‍රාදේශීය ලේකම්</b> <b>Divisional Secretary</b>	
<small>මැදපළුම් ප්‍රධාන සලකුණකාර, පළාත් කාර්යාලය</small> <b>Matching Grant Manager, Provincial Office</b>	
<b>ව්‍යාපෘති අධ්‍යක්ෂක</b> <b>ව්‍යාපෘති කළමනාකරණ ඒකකය</b> <b>(ප්‍රධාන කාර්යාලය)</b> <b>Project Director, PMU (Head Office)</b>	

ව්‍යාපෘතිය මුහුණත්වන ස්වකීර්ම යම් කාර්යාලයකට මුහුණත්වීමට සූදානම් වන අයට සහතිකයක් සහිත ආකාරයට අදාළ කාර්යාලයකට ප්‍රවේශයක් ලෙස සහතිකයක් ලබා දීමට සූදානම් විය යුතුය. එමෙන්ම මුහුණත්වන ස්වකීර්ම මගින් ව්‍යාපෘතියේ ප්‍රශ්න විසඳා ගැනීමට ඉඩ ඇත.

**“The Grievance Redress Mechanism (GRM) is established under the project with the objective of helping project affected persons to report their concerns, give feedback and resolve their issues through a process of mutual understanding and consensus with the relevant parties**