

REPÚBLICA DEMOCRÁTICA DE TIMOR LESTE
Ministry of Public Works



TIMOR-LESTE ROAD CLIMATE RESILIENCE PROJECT (TLRCRP)
 RFP No.: RFP/021/MOPTC-2017

**LAND ACQUISITION AND RESETTLEMENT ACTION
 PLAN FOR THE TIMOR LESTE BRANCH ROAD
 PROJECT**
April 2019



AITUTO TO HATUBULICO, STA. 0+000
BEGINNING POINT/JCT. AITUTO. NARROW ENTRANCE



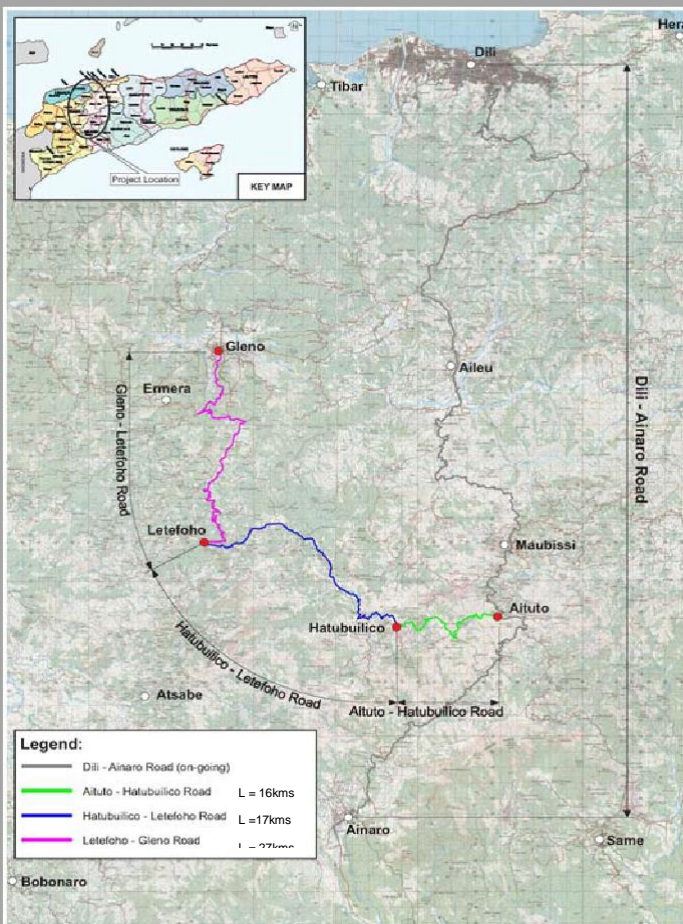
AITUTO TO HATUBULICO, STA. 4+000
NARROW ROW, STEEP TERRAIN AND STEEP GORGE SLOPE



AITUTO TO HATUBULICO, STA. 5+500
RESIDENTIAL AREAS



HATUBULICO TO LETEFOHO, STA. 15+000
ON-GOING ROAD WIDENING: MT. RAMELAU



HATUBULICO TO LETEFOHO, STA. 24+000
EXISTING SEALED ROAD



HATUBULICO-LETEFOHO, STA.29+000
BIG TREES AND COFFEE PLANTATION



LETEFOHO TO GLENO, STA. 42+000
GRAVEL ROAD



LETEFOHO TO GLENO, STA.54+200
RIHEU BRIDGE

SUMMARY

Land Acquisition and Resettlement Action Plan (LARAP)

Timor Leste Road Climate Resilience Project (TLRCRP)

Branch Road Section Dili - Ainaro: Aituto – Hatubuilico – Letefoho – Gleno

April 2019

This Draft Resettlement Action Plan is a document of the Proponent. The views expressed herein may be preliminary in nature.

In preparing the Resettlement Action Plan and making reference to a particular territory or geographic area in this document, the Proponent does not intend to make any judgments as to the legal or another status of any territory

GLOSSARY

Abbreviated Resettlement Action Plan (ARAP) –The ARAP is acceptable if fewer than 200 people are affected. It is also acceptable if more than 200 people are affected so long as all land acquisition is minor (10 percent or less of all holdings is taken) and no physical relocation is required.

Affected Family/Affected Household (AF/AH) - consists of all members of a household residing under one roof and operating as a single economic unit, who will be adversely affected by the project. For resettlement purposes, Affected Persons (APs) will be dealt with as members of Project Affected Families (PAFs).

Affected Person(s) or Household Head (HH) - dealt with as member of project affected families/households who on account of the execution of the project, would have the right, title or interest in all or any part of a house, land (e.g., residential, agricultural or pasture) or any other fixed or moveable asset acquired or possessed, in full or in part, permanently or temporarily.

Compensation means payment in cash or in kind at replacement cost for an asset to be acquired or affected by an infrastructure project.

Cut-off-date - is the date of commencement of the census of affected families within the project boundaries. APs and local communities will be informed of the cut-off date and persons not covered at the time of census will not be eligible for claims of compensation and entitlements.

Displaced Person - consistent with World Bank policy 4.12, people who are affected by direct economic and social impacts that both result from Bank-assisted investment projects, and are caused by involuntary taking of land resulting relocation or loss of shelter; loss of assets or access of assets; or loss of income source or means of livelihood, whether or not the affected persons must move to another location; or the involuntary restriction of access to legally designated park and protected areas resulting in adverse impacts on livelihood of the displaced persons.

Eligibility- any person(s) who at the cut-off-date was located within the area affected by the project, its sub-components, or other subproject parts thereof, and are affected by the project. Eligibility is irrespective of formal legal rights to land or of customary claim to the land the PAPs are occupying.

Encroacher - legal titleholder, who illegally extend their legal holding onto (and, thus, encroach upon) government land. They are encroachers for their illegal holding. Under World Bank's policy, if affected people with title to land have encroached from their legitimately landholding onto land that they do not own, they will be compensated, whether on the legitimately occupied piece of land or on the piece of land upon, will be compensated.

Entitlement- the range of measures comprising cash or kind compensation, relocation cost, rehabilitation assistance, transfer assistance, income substitution and relocation which are due to APs depending on the degree of losses, to restore their social and economic base to pre- project levels.

Income Loss. For loss of business/income, the AP will be entitled to an income rehabilitation assistance for the period corresponding to the stoppage of business activities.

Indigenous people - consistent with World Bank policy 4.10, people who belong to a distinct, vulnerable social and cultural group possessing the following characteristics in varying degree: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity

by others; (b) collective attachment to geographically distinct habitat 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 the dominant society and culture; and (d) an indigenous language, often different from the official language of the country or region.

Informal Settlers - a person using or occupying vacant state land and who does not have title or formal agreement from the owner to use, the land.

Land acquisition - the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the State in the implementation of the Project or any of its components in return for consideration.

Marginally affected – the impact is only partial, and the remaining portion of the property or asset is still viable for continued use. Compensation will be on the affected portion only. Minor impacts are limited to cases where APs are not physically displaced and less than 10% of their productive assets are lost).

Negotiated Settlement - is an agreed amicable rates or package of compensation and entitlements for the APs to ensure that the cost is sufficient to cover affected structures and assets, physical and non-physical. Compensation packages shall ascertain that the APs will not be worse-off and they could recover from the disturbances caused by the project.

Project Boundaries is defined as the project construction limits or maybe referred to the Right- of-Way limits, which may vary depending to prescribe RROW.

Rehabilitation - the measure requires to (i) restore access to public facilities, service and infrastructure; (ii) cultural property and common property resources; (iii) cultural sites, public services, water resources; grazing, or forest resources including establishments of access to equivalent and culturally acceptable resources and income-earning opportunities; and, (iv) restore the economic and social capital of the APs seriously affected by the loss of assets, and employment. All such people will be entitled to rehabilitation assistance measures for restoring incomes and living including any APs whose rights might not be formally recognized. Additional rehabilitation assistance should be provided for vulnerable people, to ensure that they are able to restore their standards of living to pre-project levels.

Relocation- the physical resettlement of APs from their pre-project place or residence, place for work or business premises as a result of project activities.

Replacement cost - the method of valuing assets to replace the loss at the market value, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration, and titling cost. Where national law does not meet this standard the replacement cost will be supplemented as necessary. Replacement cost is based on market value before the project or dispossession, whichever is higher. In the absence of functioning markets, a compensation structured is required that enables affected people to restore their livelihoods to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. For losses that cannot easily or compensated for in monetary term (e.g. access to public service, customers, and supplies; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities.

Resettlement - all measures taken to mitigate any and all adverse social impacts of a project on the APs, including compensation and relocation. Full or partial, permanent or temporary physical

displacement (relocation, loss of residential land/ or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restriction on land use on or access to parks and protected areas. The definition applies to impact experienced, regardless of whether it involves actual relocation.

Resettlement Plan - the time-bound action plan prepared to compensate and /or mitigate the impact of resettlement. A FULL resettlement is required for project or subprojects with significant impacts (see definition below), and an ABBREVIATED resettlement plan is required for project or subprojects with non-significant impacts.

Screening - the process to determine what types of impacts might be anticipated, based on projects type, scale, location, and sensitivity. The screening will categorize the project or sub- project and therefore determine what level of assessment and further planning is required.

Severely affected – The portion of the property to be affected is more than 10% of the total land area or even less than 10% if the remaining portion is no longer economically viable or it will no longer function as intended. Full compensation of the whole property.

Significant impact - more than 200 people are affected by resettlement through loss of 10% or more of productive assets (income generating) or physical displacement/ dislocation (loss of housing).

Simple structures - small (in the order of 1-15m²) roadside stalls or shade houses that are constructed of rough-sawn wood, bamboo, thatch, banana or sago palm leaf, and can be moved and re-constructed in less than day.

Social Impact Assessment or Social Assessment is a framework for incorporating social or stakeholders' analysis and participatory process in the project design and implementation.

Subsidiary household - a household that is a part of the origin group that have been allocated land by the members of the origin group (i.e. through inheritance or subdivision of a family-owned land. They have the same right to use the land but must seek permission form the members of the origin group for certain activities.

Vulnerable - Any people who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement i.e. (i) female household head with dependents; (ii) disabled household head; (iii) poor household as defined by the poverty line; (iv) landless elderly household head with no means of support; (v) household head without security of tenure

EXECUTIVE SUMMARY

A INTRODUCTION

The main objective of the Branch Road Project is to improve road access, safety, and climate resilience i) enhance road access, safety and efficiency of road networks, ii) increase access of the rural and urban populations on the Gleno-Maubisse corridor to various social services and markets leading to improved livelihoods and poverty reduction, and iii) improve the districts trade on agriculture products and other potential commodities, promote a development potential for tourism and agriculture by facilitating road transport and connectivity to major urban and per-urban areas including Dili, Ermera and Ainaro.

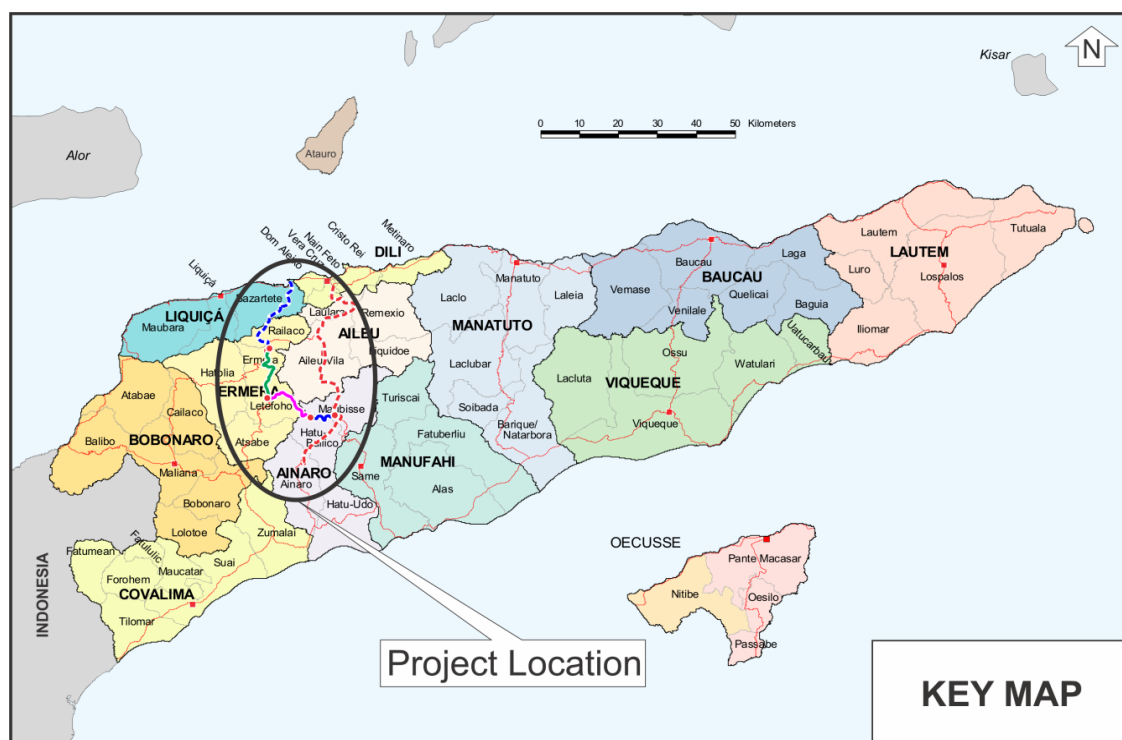


Figure 1.1: Project Location of Branch Road Aituto to Gleno

Source: KEI Consultant, 2018

The project's development objective is expected to be achieved through the following interventions:

Component 1: Gleno–Maubisse Corridor Upgrading and Road Safety Improvements (US\$72.8 million of which expected IDA financing is US\$55.0 million). This component consists of the civil works activities to be undertaken on the Gleno–Maubisse corridor and the road safety activities on the rest of the network. The activities include:

- a. **Sub-component 1.1: Gleno–Letefoho and Letefoho–Hatubuilico Junction roads sections upgrading (US\$70.8 million).** This component would upgrade the Gleno–Letefoho (25.8 km) and Letefoho–Hatubuilico Junction (18.5 km) road sections of the Gleno–Maubisse corridor (66.1 km) to National roads standards. The designs will incorporate climate resilience considerations, considering: (i) pavement upgrading with selective widening to bring the project roads to national standards; (ii) improvement of drainage structures to meet forecasted rainfall volumes and intensities; and, (iii) construction or reinforcement of slope

stabilization structures. Where roads serve pass through urban areas, attention will be given to safety improvements, orientation signage, bus stops, and sidewalks. As a first phase of a program to improve the Gleno–Maubisse corridor, the two project roads sections (totaling 44.3 km) have been proposed based on the prioritization results of the feasibility study and the readiness for implementation. The second phase of the upgrading of the Gleno–Maubisse corridor¹ will be defined during implementation and it is envisaged that will be financed under an additional financing to BRP or as a new standalone project. This sub-component will also finance the construction of the upgrading works and related supervision consultancy.

- b. **Sub-component 1.2: Road Safety Improvements (US\$2.0 million).** This sub-component will cover civil works and/or goods to address road safety issues on roads other than on the Gleno–Maubisse corridor roads, such as road signage and pavement markings or black spot improvements at locations to be identified by GoTL. The scope of sub-component 1.2 will be decided during implementation with support of a road safety advisor to be hired under the project.

Component 2: Institutional Strengthening and Project Management (US\$4.0 million of which expected IDA financing is US\$4.0 million). This component aims at helping strengthening capabilities within MPW and DRBFC on issues related to road assets management, road safety and road maintenance. It will finance technical assistance, equipment, and operational costs associated with the implementation of the Project. It will also finance studies required for the preparation of potential future investments in the road sector. This component is split into three sub-components, as detailed below.

- a. **Sub-component 2.1: Technical Assistance (US\$1.6 million).** This sub-component involves knowledge, capacity building, data and funding to support transport sector development. Technical Assistance activities include: (i) data collection on road inventory, traffic and condition on national and district roads (approximately 2,240 km) to update the Road Asset Management System² for supporting monitoring, planning and programming of road works; (ii) piloting of multi-year performance based maintenance contracts on national roads³ (two years of maintenance on approximately 125 km) through contractors using community-based groups with female participation, including strengthening supervision activities done by DRBFC; (iii) road safety capacity building program within MPW through the hiring of a road safety advisor to DRBFC;⁴ and, (iv) geotechnical capacity building program within MPW through the hiring of a geotechnical advisor to DRBFC.⁵
- b. **Sub-Component 2.2: Design of Future Projects (approximately US\$1.4 million).** This sub-component will finance feasibility/technical studies and designs required for the preparation

¹ The remaining roads to be improved on the Gleno–Maubisse corridor are: (i) Hatubuilico Junction to Aituto road section (11.9 km); and (ii) the links to the corridor of the towns of Ermera (4.8 km) and Hatubuilico (5.2 km). The road section between Aituto and Maubisse (9.9 km) was already improved under RCRP.

² The Road Asset Management System is being developed with ILO, ADB and JICA support.

³ The maintenance contracts will be implemented on Lots 1 and 3 of the ongoing RCRP (around 40 km) and other national roads to be selected by MPW.

⁴ The tasks would include: training of MPW staff, assessment of national and district roads for road safety risks, preparation of road safety improvement works program, and road safety audits of project designs. The assignment is expected to last for 12 months spread over two years.

⁵ The tasks would include: training of MPW staff, assessment of national and district roads for geotechnical hazards, preparation of road geotechnical remedies works program, and geotechnical audits of project designs. The assignment is expected to last for 8 months spread over two years.

of potential future investments in the road sector (approximately 55 km). The road section to be designed will be selected from the following roads that GoTL showed an interest in receiving the Bank's support for feasibility/technical studies and designs: (i) Viqueque–Uatulari–Uatucarbau–Lliomar–Lospalos Road Project; (ii) Lautem–Fuiloro–Lospalos Road Project; and, (iii) Maubara–Vatobau–Sare–Cailaco Road Project.

- c. **Sub-component 2.3: Project Support (US\$1.0 million).** This sub-subcomponent will finance operational costs associated with implementation of the Project, training of MPW staff, and goods needed by the Project. It also includes yearly audits of the project accounts to be submitted to the Bank.

Component 3: Contingent Emergency Response (US\$0 million). Since Timor-Leste will remain vulnerable to climate change and severe weather events, even with the successful implementation of the first two components, supporting post-disaster recovery is an important feature of the project. This zero-dollar component is designed to provide swift response in the event of an Eligible Crisis or Emergency, by enabling GoTL to request the Bank to reallocate project funds to support emergency response and reconstruction. The project will prepare a CERC Project Operations Manual within six months of project effectiveness.

B PROJECT AREAS

The project footprints cover limited areas for investments under Sub-component 1.1: Gleno–Letefoho and Letefoho–Hatubuilico sections as well as other additional areas for associated facilities which will be confirmed during project implementation. The LARAP addresses the former whereas a framework approach will be adopted for the latter.

The proposed project will upgrade the existing carriageway to the National Road standard. The minimum requirement of the Right of Way (ROW) for the Branch Road is on average 9 meters (6-meter carriage-way, 1-meter road shoulder on each side and 1-meter for drainage) on flat land. In areas with steep topography, such ROW width requirements may add-up. Reflecting from the ongoing Dili-Ainaro road project, additional 1 – 5 meters for slope cutting and installation of embankments can be anticipated.

The road improvement on each section will follow the existing alignments of the roads. Different cross-sections have been prepared for different cut and fill scenarios. However, there are some adjustments made on the road alignment such as on Aituto entrance of Section 1, Letefoho Church and Letefoho Junction of Section 2, and a short cut on Humboe School of Section 3. In one of the built-up areas in Letefoho, the width of the carriageway has been adjusted with engineering design measures to reduce the need for land acquisition and resettlements as well as accommodate necessary road traffic and road safety requirements. Such measures will be further detailed in the following section on Impact Avoidance Section D.

A summary of the geographic characteristics of each road section is presented as follows:

a. Section 1: Aituto to Hatubuilico

General conditions: this road section (12.7 km) is characterized by steep gorges and hills on both sides, with a narrow existing corridor (3 to 4 meters). The road is mostly unsealed or has weathered back to its original state. There are five Sucos (Horaiquik, Mulo and Nunumoge), which are sparsely populated. The traffic is currently very low, with pedestrians and motorbikes being the main users. However, due to the road's proximity to Mount Ramelau, there is an anticipated increase in road use following the proposed upgrading. The entire section is still off-grid. As part of the mission, the task team also recommended an additional improvement in the existing road connecting Section 1 to the

Hatubuilico sub-district capital to enable better access to the public facilities as well as tourism sites around the Mount Ramelau.

Since many of this section contains steep terrain, the current plan on improving the existing road to the national standard will likely involve extensive cut and fill in potentially unstable geotechnical environments (up to 4 to 5 meters for steep hills). Widening will likely change the landscape permanently and therefore elevate the environmental risks, including increased risks of landslides. Potential impacts on private properties such as residential and agricultural land, including trees and other assets are anticipated due to the narrow existing ROWs. While the extent of soil will depend on the amount generated from slope cutting, limited flat/idle land may limit available options for proper and safe soil disposal. Previous experiences under the TLCRP indicate that soil dumping practices in private properties, often at the request of landowners, have encouraged constructions on loose soil which present safety risks. This will require proper designation for soil piles in consultation with affected communities, which is further detailed in the project's Environmental and Social Management Plan (ESMP).

This section is currently out of the scope of the proposed Branch Road Project but may be included once additional financing has been confirmed.

b. Section 2: Hatubuilico to Letefoho

General conditions: The terrain is comparably less steep compared to the section 1 although the alignment passes through the northern section of the Tatamailau Mountain protected area, with an elevation above 2,000 meters. The length of this section is approximately 18.5 km and has a 3 to 4-meter carriageway (4-5 meters of ROW) and are sparsely populated except towards the end of the section in Suco Dukurai.

Road upgrades in this section are expected to provide easier access for tourists to visit Tatamailau Mountain as well as access to the sub-district town of Hatubuilico where public services are located. Land acquisition on private properties along this section is expected to be minor, except in Suco Dukurai where built-up settlements on both sides of the existing road shoulders were observed. These settlements consist of permanent houses and workshops. Engineering measures are currently being considered to reduce land taking by incorporating adjustments in proposed carriageway and installation of underground culverts. Along this section, road widening, and subsequent soil disposal may affect agricultural land for vegetable farming and cattle grazing, and in some parts, coffee plantation. Furthermore, this section will also pass religious sites (i.e. the Dukurai chapel and Letefoho church) as well as several schools, and therefore require further installation of measures to ensure road safety and reduce disruption to routine activities.

c. Section 3: Letefoho to Gleno

General conditions: The road is located in peri-urban settings and the existing carriageway is already wide and hence require minimal widening. Several parts of the section have been widened as part of on-going construction works to improve the road conditions under the GoTL's "Emergency Project" since 2018. The section is approximately 25.6 km, with an existing carriageway between 5 to 7 meters (5 – 7.5 meters of ROW). The traffic significantly increased on this section, including small trucks and private busses. This section is known as a coffee growing region and connected to the already upgraded road from district capital Gleno to Tibar, which is expected to serve as the main port after Dili and previously funded by the ADB. The section passes five Sucos (Haupu, Goulolo, Eraulo, Estado, and Humboe). Since this proposed road will improve connection to the nearby towns including Ermera and Gleno, as well as further to Dili, particular attention with regards to road safety, especially in public facilities (i.e. schools, markets, churches, etc.) have been considered as part of the project design due to a likely increase in traffic.

There have been issues stemming from improper spoil disposal and limited soil stabilization/strengthening which will need to be addressed as part of the DED finalization for Section 3. Impacts associated with slope cutting and soil disposal on coffee plantations were observed during the LARAP consultations. Environmental impacts resulting from the on-going construction works will need to be further assessed as part of the tracer study and on this basis, the DED needs to include remedial measures to minimize impacts that have been caused, including management of improper soil disposal.

Some of the segments in Section 3 which were included under this on-going road project cover STA 37+450 to STA 40+900 (3.45 km length) and from STA 46+100 to STA 51+000 (4.90 km length). Additional 5.6 km (from STA31+900 to STA37+500) has been confirmed by the GoTL and hence the status of the tracer study as part of the LARAP remains indicative and will only be finalized upon completion of the Emergency Roads Project in this section. Hence, the extent of impacts of the GoTL's emergency project on land and assets cannot be confirmed at this stage.

The following figures provide illustrations of the geographical characteristics of the proposed corridor.

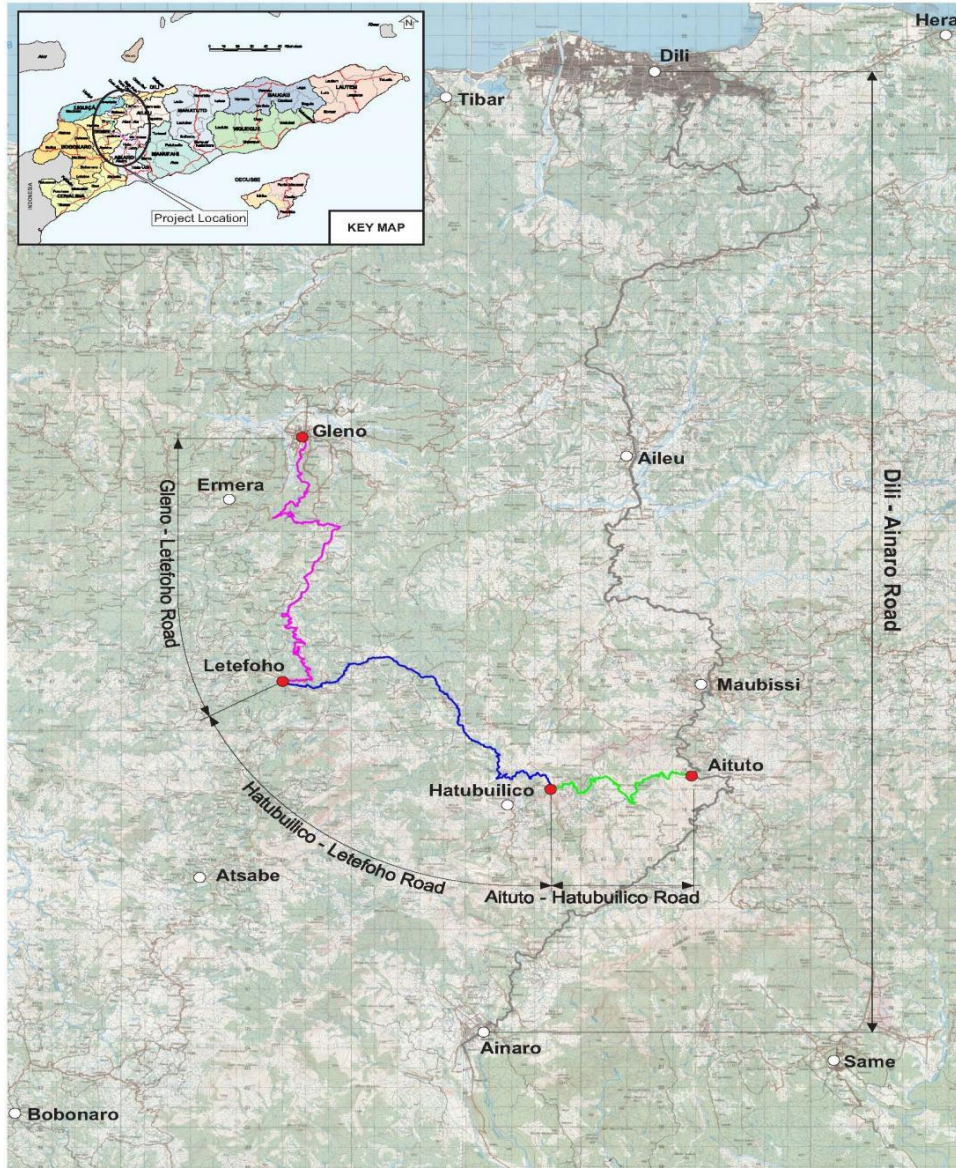


Figure 1.2: Road Link of Aituto – Hatubuilico – Letefoho – Gleno

Source: KEI Consultant, 2018

C IMPACT ASSESSMENTS

The project's impact assessment was undertaken in reference to the latest available design alignment for Sections 1 and 2 as well as parts of Section 3 shared by the design Team. The DED is currently being finalized and hence, the impact assessment presented in the LARAP is indicative in nature and was developed for the purpose of budget planning.

All identified impacts within the Proposed Branch Road right of Way (RoW) were enumerated and measured to determine extent of loss (partial or full) with their level of significance. The owners/occupiers of such impacted assets were enumerated and interviewed to identify the ownership status as well as implications on their livelihoods.

The project impacts include loss of different types of agriculture land, residential land, government land, residential structure, commercial structure, ancillary structures, and trees/crops due to land acquisition and land clearance.

Since most of the road segments follow the existing alignment, the magnitude of impacts associated with asset losses and livelihoods disruptions are expected to be between low and moderate. However, unless engineering measures could reduce potential footprints, there are estimated **40 households** who may experience significant impacts due to loss of residential structures as well as temporary loss of livelihoods (i.e. relocation of kiosks). These households can be found in Sections 2 and 3 where the project will be implemented. Around **21 households** may experience significant to severe impacts due to a combination of losses as well as potential longer-term livelihoods disruptions due to loss of productive crops, such as coffee trees, which represents a primary commodity in the area. Out of this figure, **an estimate of 21 households** may need to be relocated in-situ due to project impacts on their residential structures. Depending on the results of the final DED, the figures may change and hence will need to be revisited. No physical displacement is envisaged as a result of the project. The total land area to be acquired by the proposed project is **27.10 hectares**, consisting of **12.06 hectares** of agricultural and, **3.66 hectares of residential land**, **10.85 hectares of vacant land** and **0.67 hectares** of government and church land.

The scope of Resettlement Impact of the Branch Road is for each section summarized in the following:

Table 1: Categories of Affected Assets and Number of HHs

Category of Impacts	Scale of Impacts
Number of Affected Households	248 households
Number of Affected Family Members	1,310 PAPs
Affected Land	
Total Land Area Affected	271,372 sqm /27.1 hectares
Residential land	0.88 hectares / 77 PAPs
Agricultural Land	23.85 hectares/ 66 PAPs
Government Land (i.e. Suco offices and school areas)	1200 sqm
Church-owned land (i.e. Mulo and Dukurai)	1340 sqm
Affected Structures	
a. Residential	
Permanent	16 units
Semi-permanent	7 units

b. Commercial	
Permanent	6 units
Semi-permanent	19 units
c. Ancillary Facilities	
Water tanks	2 units
Electricity poles	57 units
Water pipes	200 meters
Concrete fences/retaining walls	70 meters
Temporary fences/retaining walls	380 meters
d. Affected trees	
Coffee plants	27,693
Timber trees	731
Fruit trees	1,317
Significance of Impacts	
Significantly affected HHs (i.e. relocation in-situ, temporary loss of livelihoods)	40 HHs
Severe impact (i.e. lack of remaining viable land, long-term impact on livelihoods)	21 HHs

a. Impacts on Land

The project will acquire some 27.10 hectares of land for the construction of the Branch Road for all sections.

Out of the total impacted land, there are approximately 12.06 hectares of agricultural and, 3.66 hectares of residential land, 10.85 hectares of vacant land and 0.67 hectares of government and church land. No communally and/or customarily-owned land and commercial land owned by companies will be affected by the proposed Branch Road. There are 248 households (AHs) will be directly impacted by land acquisition of the Branch Road. Based on land used type, 140 PAPs will be affected from acquisition of 8.46 hectares of cultivated land; 42 PAPs of fallow shifting agriculture land; 37 PAPs of resident/compound land.

Impacts were assessed on the basis of the potential extent of land acquisition for each land type (i.e. agricultural, residential, public and vacant). Impact classification consists of a) significant impacts, which covers impact exceeding 10 percent of the overall land holding but below 30 percent and b) severe includes which covers impact exceeding 30 percent of productive land. Landowners whose original land ownership is classified as small will automatically fall under severe impacts in the event that their land parcels become no longer viable for their original purposes and hence, require assistance to identify land replacement with similar productive values.

On the basis of severity of impacts, road widening in Section 3 is predicted to result in more impacts compared to other sections. In terms of types of impacts, impacts on residential land are expected to be more significant in Section 2 compared to other sections. Whereas in Section 3, impacts on agricultural land, particularly coffee plantations, are expected to be more significant compared to other sections. However, since the DED for Section 3 is currently being prepared and the on-going GoTL's emergency road construction is yet to be completed, impacts will likely change and hence, need to be revisited.

b. Impacts on Trees

The census survey indicates that impacts on agricultural crops are more severe in Section 3 (i.e. approximately 19,238 coffee trees need to be removed for the purpose of road widening) and

hence, may warrant further considerations with regards to mitigation measures associated with livelihood impacts. In total, there will be approximately 27,652 mature coffee, 517 timber and 1,055 fruit trees that will be impacted. Compensation for tree owners is further described in Chapter 5 on the entitlement matrix. As part of safeguards measures, replanting assistance will be offered to tree owners in addition to compensation payments and livelihoods assistance.

c. Impacts on Structures

There are different categories of private structures impacted, including residential and commercial (i.e. kiosks, workshops), which may be located within the existing ROWs or private land which will be included as part of the proposed Branch Road right of ways (ROWs). Another category includes public structures which cover government buildings (i.e. Suco offices, schools) as well as church-owned properties.

Impacts on private structures include partial and full removal of houses, kiosks, workshops and ancillary structures such as garages, kitchens as well as fences and retaining walls. Structures are both permanent and semi-permanent and all PAPs will be compensated at replacement costs. Compensation packages for those who need to be relocated in situ cover cash compensations for land and structures affected (and whole structures in the event that they can no longer be used), construction assistance at 30 percent of the overall structure compensation and transitional assistance. Those owning semi-permanent structures, compensation values have been set to enable affected structure owners to build back better.

1) Residential Structures

With regards to resettlement impacts, impacts tend to be more significant in Section 2 where 12 HHs (105 PAPs) are anticipated to be relocated in-situ. In section 1 and 3, two HHs (22 PAPs) and seven HHs (47 PAPs) are anticipated to be relocated in situ respectively. Engineering design is currently in the process of finalization for Sections 2 and 3 and impact avoidance considerations, particularly to minimize resettlement impacts in Section 2 are currently being developed.

Approximately 1,392 sqm of permanent houses and 372.98 sqm of semi-permanent houses will need to be removed (both partially and fully). However, since such structural demolition will compromise building safety, these houses will hence need to be fully demolished and owners will be compensated at replacement costs for their affected structures and land and transitional housing allowance.

The project will also affect private/individual ancillary structures which include 3 kitchens, 4 toilets, fences and cyclone wire owned by 14 PAPs.

2) Commercial Structures

The project will affect a total of 25 commercial structures, which is composed of permanent (6) and semi-permanent kiosks (17) and two semi-permanent mechanical workshops. 11 of semi-permanent kiosks are movable and hence will result in minimal impacts.

Impacts on livelihoods associated with removal or moving of kiosks and mechanical workshops are expected to be temporary. Owners will be provided with temporary allowance of 100 USD each month for three consecutive months to enable them to rebuild their commercial structures and recover their economic activities. Impacts during construction are expected to be positive due to a potential increase in trades of basic foods and goods with the presence of construction workers.

3) Public Utilities

Public utilities include two water tanks, 200 meters of water pipes, one multi-function classroom room, 51 electric poles. These utilities/facilities will need to be rebuilt or relocated. The project will provide complete restoration/rebuilding costs as well as replacement costs for these entire utilities. As part of the project's Environmental and Social Management Plan (ESMP), these utilities will need to be fully relocated and/or replaced prior to any land clearance or construction works to minimize activity and service disruption. Such relocation and/or replacement will be coordinated with respective agencies responsible for the maintenance of these utilities/facilities and all replacement costs will be borne by the GoTL.

d. Livelihoods Impacts

11 of 25 potentially impacted permanent and semi-permanent kiosks are movable and hence, impacts are expected to be minimal. These businesses are mostly side-road kiosks which will be fully and/or partially demolished due to their proximity with the proposed alignment. Based on interviews with the PAPs, it appears that notional monthly incomes of all these shops are on average 100 – 600 USD/per-month and these kiosks and economic activities could be rebuilt on average between 2 - 3 months.

There are around 9 HHs in Section 3 who may suffer severe impacts due to multiple losses (i.e. loss of agricultural land, crops, as well as impacts on residential and/or commercial structures. Impacts on agricultural land is more severe in this section compared to other sections and hence, further attention needs to be paid with regards to support for livelihoods restoration based on community consultations. Additional support packages in the forms of temporary livelihoods assistance and replanting may be offered as part of the impact mitigation measures.

Impacts on residential structures in Section 2 are not expected to significantly affect livelihoods since PAPs will be offered cash compensation at replacement costs for their land and structures affected as well as temporary relocation assistance.

e. Impacts on Vulnerable People

No distinct group with vulnerability characteristics were identified along the proposed road corridor. Other vulnerable groups affected by land acquisition also include the elderly, disabled and female headed households. The census identified 48 vulnerable households. These include 1 family with a disabled household head, female-headed households and 107 households with income below the Official Poverty Line (OPL). On the basis of severity of impacts, there are potentially vulnerable households who due to their income levels may experience more significant impacts as a result of livelihoods disruptions. There are approximately three HHs and two HHs with notional monthly incomes less than 200 USD who may be severely and significantly impacted in Section 1. In Section 2, impacts on the poor are considered less severe as HHs on average appear to earn more than other sections, with only three HHs with notional monthly income less than 300 USD. In Section 3, seven HHs and 9 HHs with monthly incomes less than 200 USD will be severely and significantly impacted. These HHs will be entitled to temporary livelihoods assistance under the project.

These vulnerable PAPs will be entitled for special assistance (vulnerability allowance) to ensure their living standard is restored if not improved. Additional verification of vulnerability will be done upon completion of detailed design.

D IMPACT AVOIDANCE

Efforts have been made using all appropriate options of engineering design in finalizing the road alignment to minimize the resettlement impacts for sections 1 and 2. An alternative analysis and assessment was undertaken to arrive at the best option with minimum resettlement impacts.

Adjustments of the original road alignments were made with a view of maintaining minimum resettlements along the proposed corridor. The corridor passes through mixed land uses such as agriculture land, residential land, unfertile and empty land, coffee plantation, and mountainous areas. Many of the new land parcels to be affected in Section 2 are empty land and currently not used for agricultural cultivation, however some land acquisition impacts are foreseen in coffee planting areas as well as some settlement areas in the five affected Sucos. Several scenarios of the Branch Roads have been assessed and reflected into the Branch Roads' alignment and engineering design. Inputs from PAPs and other stakeholders concerned which were collected during the public consultations from 12-28 September 2018 have informed the project's DED. At the writing of this SEIS/ESIA, some impact avoidance made through engineering design is summarized as follows:

a. Shortcut route at Humboe School zone

Humboe elementary school is surrounded by a narrow existing road and hence widening of the road section in front of the school will prevent future expansion of school infrastructure. In addition, it is expected that future traffic volume will increase due to the improvement of project road, which presents a major traffic safety risk for school children. At the request from the communities and school administrators, rerouting was introduced in the DED to avoid impacts.

b. Shortcut Route at Goulolo Suco

Goulolo Suco community has requested a road re-alignment to avoid potential impacts on historical sites Uma Lulik located uphill. According to the community in Goulolo Suco, there are concerns that construction activities, including slope cutting and operations of heavy vehicles may compromise the structure of such historical sites. Rerouting to another existing road section was introduced in the DED and assessed to be technically feasible although land acquisition for road widening is anticipated. Potential social and environmental impacts have been assessed as insignificant.

c. Letefoho Church Service Road with installed sidewalk

The Letefoho Church administrators and community representatives from Suco Haupu requested alternative design to minimize footprints of the proposed road road upgrade. Underground culverts will be installed to minimize land requirements and in addition, a paved sidewalk with a guardrail will be built along one side of the road section to minimize road safety risks during church services. The church's service road will be upgraded and will serve as an alternative route to divert traffic during peak times.

Some other agreed mitigation measures have been proposed to minimize land acquisition and other related issues associated with temporary restrictions of land uses, these include:

- 1) If religious structures as well as cultural / historical sites exist along the corridor, efforts to preserve and maintain the structures and sites will be made through alignment adjustments to minimize social issues. In the event that such impact avoidance, proper consultations with host communities will be to agree on mitigation measures, including replacement and/or relocation of such sites in a manner that is acceptable to the communities. No physical works are allowed until such consensus has been obtained.
- 2) Occupational, Health and Safety (OHS) and community, health and safety risk prevention will be reflected in the Construction Environmental and Social Management Plan (CESMP) to

minimize activity disruption in public places such as markets, schools, churches and cultural sites;

- 3) Replacement of utilities such as water pipes and electricity must be in place prior to any land clearance to avoid service disruption. Such requirements will need to be reflected in the CESMP;
- 4) Selection of road alignments, including the extent of widening and slope-cutting required will be consulted with affected communities prior to any works and measures to minimize land acquisition impacts on agricultural land, trees and other infrastructure must be reflected in the DED. Contractors must provide evidence of such consultations as well as impact minimization measures prior to the start of construction works;
- 5) The DED incorporates appropriate measures including box culverts for crossing facilities like irrigation channels on both sides of the centerline within the acquired RoW enabling landowners to continue cultivating their land on both sides of ROWs.

E LAND ACQUISITION AND RESETTLEMENT PLANNING

A combined of Land Acquisition and Resettlement Action Plan (LARAP) and Tracer Survey Report has been prepared for the Branch Road implementation. The LARAP section in this combined report will focus on the Section 1 and Section 2 since the DED has been completed. Meanwhile for Section 3, the LARAP includes a tracer assessment which focuses on identifying and tracing of the land acquisition and resettlement impacts of the on-going government construction (Emergency / Rehabilitation Road project) and potential additional land acquisition to the extent known. The tracer also includes suggested corrective actions for the GoTL to settle identified impacts of their on-going project in Section 3 to be fully compliant with with the country and the requirements of the World Bank's OP 4.12 on Involuntary Resettlement.

The Combined LARAP and tracer will be updated (Final Report) when the detailed engineering design (DED) for all sections and subsequent land acquisition and resettlement impacts survey have been completed. Such updates will also include identification of potential additional impacts resulting from changes in the proposed alignment. The Tracer will also need to be updated to cover additional activities under the GoTL's emergency road project (from STA31+900 to STA37+500), which is currently on-going.

The development of the LARAP has been guided by the World Bank's OP 4.12 on Involuntary Resettlement and its supporting Guidelines for Environmental and Social Safeguards considerations and the Resettlement Framework (RF) which has been adopted earlier by the GoTL under the World Bank financed road projects.

a. Identification of Stakeholders

Prior to the conduct of validation survey a courtesy calls/coordination meeting with Administrators of the concerned Sub Districts, Suco/Aldeia Chiefs who has the administrative responsibility on the areas were personally met and informed about the purpose of our meeting. The Village local leaders were informed on the activities in relation to the proposed project and seek assistance in recognizing the real claimants of any affected properties or assets. Directly and indirectly all the affected persons were informed and requested to attend consultations meetings and verification of affected assets.

b. Consultation and community engagement

Courtesy visits, field inspection and surveys as well as public consultations were conducted in close coordination with the Forestry, Electricity, Water and Sanitation, Health, and Education Agencies as well as District governments, Suco and Aldeia Chiefs, and other relevant stakeholders such as customary leaders, Priest of Letefoho Church, adminsitators of village chapels and veteran

coordinators. Engagement with a local contractor (Monteviado Lda.) was undertaken as part of the tracer assessment for Section 3.

To ensure wider participation, written and verbal invitations were carried out to notify the respective Sucos and Aldeia Chiefs as well as their constituents especially those who will most likely be affected within the construction limits and/or Road Right of Way (RROW) limits to attend public consultations. The objectives of the consultations are to create awareness on the part of the stakeholders particularly on the project concepts, requirements of the funding institution (World Bank) and concerned government agencies as far as environmental and social safeguards consideration and the likely impacts and schedule of related activities. A series of consultations was conducted from 12-26 September 2018 in two districts (Ermera and Ainaro) and 4 Subdistricts (Maubisse, Hatubuilico, Letefoho, and Ermera) covering all 11 Sucos and Aldeias affected.

c. Social Assessment

A social impacts assessment was conducted as part of the LARAP and tracer processes. A combination of qualitative and quantitative assessment tools was used to determine the range of potential impacts on the PAPs, not only limited to land acquisition but also broader social aspects. The latter has been incorporated into the Environmental and Social Impact Assessment (ESIA) of the project. A census survey was carried out in July 2008 to cover 50 randomly-selected households in each Suco along the corridor out of the approximately 200 households potentially affected. The sample size was deemed sufficient as the populations appear homogeneous in terms of their living standards and socio-cultural characteristics. Efforts were made to include gender issues and to integrate gender aspects into the project design and the social assessment process.

d. Land Acquisition and Resettlement (LAR) Impact Assessment

LAR impact identification along with an inventory of asset losses in all sections was developed in reference to the DED progress. The DED for Sections 1 and 2 has included minimum requirements for pavement, shoulders, retaining walls, necessary roadside improvements (eg. bus stop, parking zone etc.) as well as cross-sections and slopes cutting and hence, these potential areal footprints have been covered. In areas where the original road alignments were adjusted and /or altered for short-cuts, geo-tagged potential footprints were also included to ensure that all potential PAPs are covered.

The tracer survey in Section 3 (see Annex 2) was undertaken to reflect the new ROWs following the road widening under the GoTL's emergency road projects, which were then overlaid by all identified claims of lossess, which cover land and trees. While the basis of the tracer is set between 1 to 5 meters of additional land parcels that were affected, these widths varied in mountainous locations where previous slope cutting and disposal materials were observed. Communities in Section 3 were given 3 days to submit their claims of their affected land parcels and trees as a result of the on-going road project to their respective Suco and Aldeia Chiefs. These claims were then verified by representatives of Sucos and Aldeias and their respective chiefs prior to be submitted to the assessment team.

A Detailed Measurement Survey (DMS) was conducted for each affected asset. Through DMS process, the size, type, quality of each asset (land, structures or other assets attached to the land, including trees), ownership status, and current use were analyzed to establish the project's inventory of losses. This inventory of lossess has been completed for Sections 1 and 2, whereas for Section 3, an intial tracer was used in lieu and will be further updated once the final DED for section 3 has been provided and the on-going GoTL's emergency road project has been completed.

e. Compensation Approach

Efforts were made to assess the value of existing private structures, public infrastructure, trees and land to be acquired under the project based on market/replacement value as the per latest available DED for sections 1 and 2 shared by the design consultants.

Valuation of the preliminary asset inventory has been computed. Land parcel values were determined based on indicative compensation for each square meter affected both for productive agricultural land and non-productive land. These will be assessed by the the Directorate of Land, Property and Cadastral Survey (DLPCS) and therefore will be updated once the DED for all sections have been finalized.

Determination of compensation and entitlements for land and structures will adopt a Negotiated Settlement approach which represents a mutually agreed amicable rates or package of compensation and entitlements by the PAPs. An endorsed entitlement matrix (see section on legal framework) will be re-disclosed to PAPs and on this basis, such negotiation will be undertaken.

The rates established in the LARAP were based on the compensation packages of the previous LARAP for the on-going TLCRP project which has been assessed to sufficiently cover affected structures and assets at their replacement costs (at undepreciated value of replacement material and labor, plus any associated transaction costs). In the event that land acquisition results in loss of shelter, such replacement costs reflect the minimum requirements to enable PAPs purchase or build housing that meets acceptable minimum community standards of quality and safety. All potentially affected households are expected to be resettled in-situ and at the request of PAPs, the GoTL will facilitate identification of potential housing sites near the original residences. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons.

f. Disclosure

Following approval of the LARAP, including the tracer, relevant information in the LARAP, including the corresponding entitlement matrix will be translated into Tetum and publicly disclosed to the broader public.

These LARAP and tracer assessment will be updated following finalization of the DED in both Section 2 and 3, which will be included under the current scope of the Branch Road Project. Prior to such updating, further consultations with the PAPs will be conducted and a summary of the LARAP and tracer will be disseminated in the form of public information booklets/brochures to enable PAPs and local communities are full informed about the potential impacts, benefit and compensation packages offered as well as other mitigation measures.

A project-specific Grievance Redress Mechanism (GRM) will be established by then. The LARAP will be treated as an official public document and must be made available in the MPW office, NDLPCS office as well district and sub-district administration offices. Likewise, this LARAP will be disclosed by the MPW and the World Bank on their respective websites.

F LEGAL AND REGULATORY FRAMEWORK

This LARAP is based on the World Bank's Policy on Involuntary Resettlement as well as the Timor-Leste's applicable/domestic policy instruments and laws, equally, in conjunction with the provisions of the Resettlement Framework (RF) that has been formulated for WB funded projects to mitigate adverse effects.

a. World Bank's Operational Policy 4.12 on Involuntary Resettlement

The World Bank's OP 4.12, Involuntary Resettlement provides comprehensive guidance in complying with the requirements for Environmental and Social Safeguards considerations resulting from involuntary resettlements as a result of the project. It contains three important elements as follows:

- 1) Compensation to replace lost assets, livelihood and income at replacement costs;
- 2) Assistance for relocation including provision of relocation sites with appropriate facilities and services;
- 3) Assistance for rehabilitation to improve or achieve at least the same level of standards of living prior to the project;
- 4) Transitional support will be provided as necessary to all economically displaced persons based on a reasonable estimate of the time required to restore their income-earning capacity, production levels and standards of living

The policy requires provision of support and assistance for those who lose their land, assets or livelihood due to land acquisition of land or restriction on land use. Resettlement planning is designed to provide PAPs with a standard of living equal to if not better than the level prior to the project.

The policy is guided by the following principles:

- 1) Involuntary resettlement is to be avoided or at least minimized;
- 2) Compensation must ensure the maintenance or improvement of the APs/AHs pre-project living standards;
- 3) PAPs should be fully informed and consulted on compensation options;
- 4) PAPs' socio-cultural institutions should be supported/used as much as possible;
- 5) Compensations will be carried out with equal considerations for both women and men as well as their constraints;
- 6) Lack of formal legal land title should not be a hindrance to assistance/rehabilitation;
- 7) Particular attention should be given to women-headed households as well as vulnerable groups such as indigenous people and ethnic minorities;
- 8) Appropriate assistance should be provided to help PAPs restore and/or at least maintain their livelihoods and standard of living;
- 9) Land acquisition and resettlement should be conceived and executed as a part of the project. The full costs of compensation should be included in the project costs; and
- 10) Compensation/rehabilitation assistance should be paid prior to ground levelling and demolition and in any case before an impact occurs.

b. Government of Timor Leste's Legal Framework

Currently there are no specific laws on involuntary land acquisition and compensation, although the proposed Expropriation Law would be the most relevant one but still under the parliament for approval. The legal basis for declaring the right of way outside the current road footprints has not been neither established nor delineated.

Hence, the RPF will prevail and serve as a gap filling measure and will be revisited once laws and regulations pertaining to land acquisition and resettlements have been issued.

However, there is a mere pronouncement and information both from the MPW and NDLPCS prescribing 3-5 meters strip of land reserved for public use or for infrastructure development and though no written policy, yet, the government started its implementation in which community along the road has the same understandings and provided mutual consensus. Such consensus will be

revisited and, in the event, that communities object or have competing claims, the provisions in the LARAP will prevail.

When road works required land in the past, the Government negotiated with the owners or users including informal settlers on a case by case basis. According to past practice, when land was required for project development, concerned parties under the direction of local authorities (district and sub- district Land and Property Units and village) negotiated and reached agreement on compensation rates, total compensation amount, and the procedures or mechanism for compensation and transfer.

The following describes relevant policies, entitlements and eligibility for compensation and other resettlement entitlements.

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

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

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

A decree issued by the Government in February 2011 provides for granting compensation to relocate unlawful occupants of State property based on humanitarian considerations. The Ministry of Justice (MOJ) through Ministerial Decree, which is yet to be finalized, will establish the basis for calculating compensation.

Another decree promulgated in July 2011 passed in June 2011 allows private property rights registration by landowners/persons in areas where cadastral surveys have been completed (following registration and verification of claims by the government) and confirmed that the claims to land are undisputed. Among the claims registered so far under the Ita Nia Rai program, which has been limited to urban areas, some 92 percent of claims are undisputed.

The Civil Code promulgated in 2011 (which will come in force in March 2012) includes a section that governs day-to-day land decisions such as the sale and lease of land. The following three draft legislations relating to land are awaiting parliamentary approval:

- 1) The Transitional Land Law would decide who owns what land and in the case of conflicting claims, who has the strongest right to the land;
- 2) The Expropriation Law that would allow the state to take land for "public good" for example, to build ports and other infrastructure;
- 3) The Real Estate Finance Fund would provide compensation as determined under the other laws.

c. Land Acquisition and Resettlement Framework

The legal and policy framework on resettlement in Timor-Leste has been compared with the requirements of WB and some gaps have been identified.

The gap-filling measures required to resolve its differences and those measures then are incorporated into the identification of PAPs, their eligibility to compensation and entitlements and other forms of resettlement assistance. The resettlement policy principles for the project are as follows:

- 1) The Constitution gives the power to the state to expropriate land for public purposes paying due compensation in accordance with the law. The Expropriation Law is one of the three legislations relating to land that are awaiting parliamentary approval;
- 2) A substantive amount of land in Timor is not registered. The Government has started issuing land title certificates in urban areas, which will help in identifying land owners. In rural areas where most of the road sections will be improved, the NDLPSC will identify and establish ownership claims for the land parcels required for the project roads;
- 3) The absence of an active land market in rural areas poses a challenge to determine the market or replacement value of the affected land. The Project Management Unit (PMU) with the assistance of Social Safeguards Consultant and the NDLPSC provide valuation of affected assets to determine fair compensation at replacement cost to PAPs;
- 4) Resettlement impacts will be minimized through careful engineering design;
- 5) PAPs will be systematically informed and consulted during the entire process of resettlement planning and implementation, including assessment of possible impacts on their livelihoods, purchase of land/assets, determining compensation/resettlement options and socio-economic rehabilitation measures. They will be informed of their rights and options and be invited to participate actively in the identification of mitigation and rehabilitation measures;
- 6) PAPs will be identified and recorded as early as possible in order to establish their eligibility through a population record or census that serves as an eligibility cut-off date, usually around the time of initial consultations at the subproject identification stage to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits;
- 7) Eligible PAPs are entitled to compensation and livelihood rehabilitation measures sufficient to assist them to improve or at least maintain their pre-subproject living standards, income earning capacity and production levels;
- 8) In the consultation process, representatives of local governments, Suco chiefs, other community leaders and civil society organizations such as non-government organizations (NGOs) from the operational areas will be included. The customs and traditions, as well as the religious practices of all PAPs, will be respected and protected;
- 9) The institutions of PAPs, and, where relevant of their hosts, are to be protected and supported. Physically displaced PAPs will be assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted;
- 10) Lack of formal legal rights to assets lost will not deprive any AP from receiving compensation and payments for non-land assets and entitlements;
- 11) Particular attention will be paid to the needs of vulnerable PAPs. This group of PAPs may include those without legal or recognizable title to the land or other assets, households headed by females, the elderly or disabled, and other vulnerable groups, such as people living in extreme hardship, and indigenous people that may be a minority in specific locations. Appropriate assistance will be provided to help them improve their socio-economic status;

- 12) The concerns of women will be identified based on gender disaggregated socio- economic data, separate discussions on women's concerns, and ensuring adequate measures and budgetary allocations in the resettlement plan to compensate and resettle them in a manner that does not disadvantage them. In this effort the assistance of national NGOs currently engaged in women's welfare will be sought;
- 13) Since there are no significant differences in cultural and socio-economic identity among the different language groups, no specific adverse impacts are anticipated to warrant separate indigenous people's plans. To ensure that the different language groups fully participate in planning and implementing resettlement, discussions and reports will be prepared and disclosed appropriately in the relevant languages. LARAP will also include provision for any special measures that may be required;
- 14) Resettlement planning decisions will be preceded by a social preparation phase where consultations will be held with PAPs, community leaders, local administrators, and NGOs to enhance the participation of these PAPs in negotiation, planning, and implementation;
- 15) Payment for physical assets, i.e. land, houses, buildings and other structures, and non-physical assets such as lost income from productive assets or jobs, will be calculated at replacement cost and included in the LARAP;
- 16) PAPs losing only part of their physical assets will not be left with a proportion inadequate to sustain their current standard of living. Such a minimum size will be identified and agreed upon during the resettlement planning process;
- 17) A grievance redress mechanism linked with existing traditional formal and informal systems and cognizant of cultural requirements will be established to solve resettlement related disputes and complaints from PAPs;
- 18) Land for land or asset for asset compensation is always the preferred method. However, if insufficient land or assets are available, or if the affected people have a preference for cash and settlement impacts are considered to be minor and do not undermine the livelihoods of PAPs, cash payments at replacement costs will be provided based on negotiation with PAPs. For those experiencing severe impacts (more than 10% of productive land severely affected people (i.e. those PAPs experiencing significant impacts) assistance will be given to identify and purchase alternative land. Efforts will also be made to provide sustainable livelihood restoration measures so that affected people can improve or at least restore their standard of living to pre-project levels;
- 19) The full cost of land purchase and resettlement will be included by the government in the project cost and adequate budgetary provision shall be made available during implementation;
- 20) All land purchase, compensation, resettlement activities will be satisfactorily completed, and the subproject areas cleared of all obstructions before the commencement of civil works; and
- 21) No works with resettlement impacts will be implemented before the LARAP has been prepared and approved. The general process for preparing LARAP includes:
 - Consultation with PAPs relevant stakeholders, and whenever necessary, assistance of relevant institutions to ensure effective consultations;
 - Undertaking of a participatory inventory of losses (IOL), which will be updated during a detailed measurement survey (DMS) following the detailed design;
 - Determination of replacement cost for PAPs losing assets (land, physical assets, means of livelihood, or social support systems) will be compensated and assisted, through adequate and satisfactory to the PAP, replacement land, housing, infrastructure, resources, income sources, and services, in cash or in kind, so that their economic and social circumstances will be improved or at least restored to the pre-project level. All compensation will be based on the principle of replacement cost at current market value. When necessary, livelihood restoration programs acceptable to the local

community will be put in place to help people improve, or at least restore, incomes to pre-project levels;

- Preparing a cost estimate and budget including the costs of compensation, relocation and rehabilitation, social preparation and livelihood programs. The budget will also include the costs for planning, management, supervision, monitoring and evaluation, land taxes, land fees, physical and price contingencies, and implementation of the LARAP;
- Inclusion of a grievance mechanism based on cultural practices and agreeable to PAPs;
- Inclusion of a monitoring system, appropriate reporting and monitoring and evaluation will be established as part of the resettlement management system, this will be set out in the RP.

The provisions of the above framework apply for potential additional land acquisition required for the project's ancillary facilities (i.e. Section 2 Hatubuilico and Letefoho and Section 3 Letefoho and Gleno). These include land acquisition for the project's required ancillary facilities such as soil disposal sites, batching plants, quarries, etc. The locations of these facilities cannot be determined at the project's preparation phase and will only be known prior to or during construction activities. In addition, as the previous road experiences indicate, unforeseen land-related impacts due to land slides are also anticipated and hence, the RPF outlines guiding principles for compensation and livelihoods measures as established in the World Bank's Safeguards Policy OP 4.12 on Involuntary Resettlement;

d. Eligibility and Cut-off date

Eligibility: consistent with the World Bank's policies, eligible PAPs will be entitled to receive compensation for their losses in addition to allowances and other special assistance to ensure they can restore their livelihoods and achieve at least if not improve their pre-project living standards. Vulnerable PAPs will also be entitled to additional assistance. The following eligible PAPs are those that:

- 1) Legal PAPs: have legal rights to land (including customary and traditional rights recognized under the laws of the government);
- 2) Legalized Aps: do not have legal rights to land but have a claim to such land or assets provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and
- 3) Non-titled APs/informal settlers: have no recognizable legal right or claim to the land they are occupying or using, these PAPs are not eligible for compensation for the land but are eligible for compensation for their assets on the land and other assistance to restore and/or improve their livelihoods and living standards to the pre-project level;
- 4) Owners of Assets: PAPs losing structures, trees or crops irrespective of the status of ownership of the land;

Cut-off Date: The Cut-off Date is the date of commencement of the census of affected families within the project boundaries. Any persons that were not covered during census survey will not be eligible for claims of compensation as it was announced to the local communities during the public consultations. People moved into the project boundaries after the cut-off date will not be entitled to any compensation unless the Suco/Aldeia Chief will attest that newly identified PAPs were missed out or rather living in the area for over the years during the previous census.

The cut-off date for the project is to be determined and will be informed by the construction schedule, which is expected to commence in early 2020. Initial census dates were established for the purpose of this LARAP surveys, which will be updated during project implementation.

If there is long gap between the approval date of the LARAP and its implementation, PMU will update or conduct validation of the LARAP prior to its implementation, as necessary, to accommodate the factual and/or additional affected assets.

e. Principle of Replacement Cost

Compensation at negotiated settlements for land and other fixed assets such as temporary, semi-permanent and permanent structures, kiosks, trees, crops and other improvements will be adequate to replace losses.

The unit prices to be offered to PAPs whose residential and commercial structures including other improvements are presented in the following matrix (**Table 2**). Unit prices for various species of affected trees are based from the Ministerio Agrikultura e Peskas.

Those PAPs whose structures will be affected will receive a reconstruction and reorganize work costs. Each PAP having loss business will also be entitled to assistance for restoring their incomes.

The proposed entitlement matrix is summarized below. This matrix was made available during Suco-consultations.

Table 2: Entitlement Matrix

Item	Type of Loss	Entitled Persons	Details of Entitlements	Responsibility
1	Permanent Agriculture land Productive Land, including residential land	Title holders/ recognized or recognizable claims under national laws	<ul style="list-style-type: none"> Cash compensation for the loss of land at fair negotiated price (negotiation benchmarks are set at \$5/sqm. meter for productive land and \$3/sqm. meter for the non-productive land and final price will be made based on consensus). Subsistence allowance at \$100 per month⁶, for 3 months if the residual land is not viable (land acquired is 75% or more of the total land holding of the title holder). Subsistence allowance at \$100 per one month if residual land is viable. All fees, taxes and other charges, as applicable under relevant laws incurred in the relocation and resource establishment are to be borne by the project. Additional compensation for vulnerable households (item 10). 60 days of notice for agricultural lands to harvest standing crops. If notice cannot be given, compensation for share of crops will be provided. Refer to item 8 for other applicable compensation. 	PMU in coordination with MOJ/DLPCS, Ministry of Finance, with assistance from valuation specialist, local authorities and community leaders.

⁶The cost per square meter of land came from DLPCS

Item	Type of Loss	Entitled Persons	Details of Entitlements	Responsibility
2	Permanent loss of homestead and agriculture land	Tenants and leaseholders	Cash compensation at \$200 of up to 6 months of land lease 60 days of notice for agricultural lands to harvest standing crops. If notice cannot be given, compensation for share of crops will be provided Additional compensation for vulnerable households.	PMU in coordination with MOJ/DLPCS, Ministry of Finance, with assistance from valuation specialist, local authorities and community leaders.
3	Temporary Loss of Land	Landowners/ Lessee	Cash compensation at \$200 of up to 6 months of land lease 60 days of notice for the use of land. 2 months of disturbance allowance (Lump Sum of \$100 per month)	Responsibility of the contractor with assistance/oversight from PMU in coordination with MOJ/DLPCS, Ministry of Finance and assistance from consultant, local Authorities and community leaders.
4	Permanent loss of residential/ commercial structures.	Owners of structure	<ul style="list-style-type: none"> Cash compensation equivalent to replacement value of structure (or part of structure) without depreciation. Replacement value covers the costs of the materials and reconstruction costs, including labour; Subsistence allowance of \$100/month of up to 2 months for affected residential/commercial structure. Transportation⁷ allowance equivalent to \$ 100⁸. Right to salvage materials from the demolished structure without deduction from their compensation. Additional compensation for vulnerable households. 	PMU in coordination with MOJ/DLPCS, Ministry of Finance, with assistance from valuation specialist, local authorities and community leaders.
5	Permanent loss of residential / commercial structures	Informal settlers/squatters /non-tilted PAPs	<ul style="list-style-type: none"> Cash compensation equivalent to replacement value to rebuild of structure (or part of structure) without depreciation. Replacement value covers costs of the materials and reconstruction costs, including labour; Subsistence allowance of \$100/month of up to 2 months for affected residential structure (Item 3 for income loss from affected business)⁹. \$100 transportation allowance¹⁰. Salvaged materials which are free of cost without deduction from their compensation. Additional compensation for vulnerable households (item 10). 	DLPCS with Assistance from the PMU's Valuation Specialist and in consultation with relevant authorities will finalize the compensation at replacement cost for the affected structure as identified during IOL.

⁷ The allowance is only applicable if there is a physical relocation of structures.

⁸ The allowance is only applicable if there is a physical location of structures.

⁹ The allowance is only applicable if there is a physical relocation of structures.

¹⁰ The allowance is only applicable if there is a physical relocation of structures.

Item	Type of Loss	Entitled Persons	Details of Entitlements	Responsibility
6	Permanent loss of Ancillary ¹¹ structures	Owners / Squatter of structure	<ul style="list-style-type: none"> Cash compensation equivalent to replacement value structure (or part of structure) without depreciation. Replacement value covers costs of the materials and reconstruction costs, including labour; Cash compensation equivalent to replacement value of permanent fence (\$20-\$35/Ln.m) and temporary fence (\$3/Ln.m); Right to salvage materials from the demolished structure without deduction from their compensation. 	PMU in coordination with MOJ/DLPCS, Ministry of Finance, with assistance from valuation specialist, local authorities and community leaders.
7	Income from business	Business owners, vendors (stalls)	<ul style="list-style-type: none"> Assistance for lost income based on minimum two months average income or one-time payment of \$50 for temporary stall; Minimum of 2 months income lost, based on average monthly income, for semi-permanent and permanent kiosks; Additional compensation for vulnerable households (item 10). 	PMU in coordination with DLPCS and with assistance from local authorities and community leaders.
8	Loss of crops and trees	Owner of the affected crops	<ul style="list-style-type: none"> Cash compensation for perennial crops and fruit bearing trees based on the Standard price of affected trees / crops issued by the Ministry of Agriculture. This standard pricelist will be used as the benchmark for negotiation with owners; Provisions of 60 days' notice to harvest standing seasonal crops. If harvest is not possible, cash compensation for crops affected (or share of crops) equivalent to the prevailing market price; Replanting assistance will be offered 	DLPCS with assistance from the PMU's valuation specialist in consultation with relevant authorities will determine the fair compensation at replacement cost.
9	Loss of paddies	Owner of the affected paddies	<ul style="list-style-type: none"> Compensation for rice paddies equals to the market value of its annual yield for three (3) years¹². 	DLPCS with assistance from PMU's valuation specialist in consultation with relevant authorities will determine the fair compensation at replacement cost.

¹¹ Ancillary (Toilet, Kitchen, Fence or Garage)

¹² Based on the updated information from PMU during a Resettlement Training held on 12th of July 2017

Item	Type of Loss	Entitled Persons	Details of Entitlements	Responsibility
10	Impact on vulnerable APs	Vulnerable and women-headed households identified by IOL	<ul style="list-style-type: none"> Additional subsistence allowance equivalent at \$100 for 3 months for loss of land or structure. Landless/vulnerable APs will be assisted to find an alternative land/plot. One-time rehabilitation grant in the form of productive assets (e.g. seeds and planting materials)¹³. Vulnerable households will have priority in any employment required for the project. 	PMU with assistance of DLPCS and local community leaders.
11	Unforeseen impact	Concerned persons affected	<ul style="list-style-type: none"> Unforeseen impacts will be documented and mitigated based on the entitlement matrix and negotiation with PAPs in conjunction with the Resettlement Planning Framework in the document. 	PMU identifies and mitigates impacts as required.

f. Assistance to Vulnerable Group

Special attention shall be extended to extremely vulnerable PAPs such as the poorest of the poor, female-headed households and other vulnerable households. For this project, 17 households are categorized as being vulnerable. Hence, on top of the entitlements accorded for them, these PAPs will be entitled to an additional allowance for two months at monthly rate of US\$ 100.00 and would qualify for any special assistance.

G ESTIMATED RESETTLEMENT COSTS AND BUDGET

All costs associated with resettlement are provided by the government. The Ministry of Finance (MoF) and Ministry of Public Works (MoPW) will ensure that adequate funds are available for carrying out resettlement according to the budget prepared for the project. The PMU will coordinate on the allocation of funds, approval of payments and delivery of funds, monitoring of progress and reporting.

In order to fully implement the LARAP, the PMU must likewise ensure that sufficient funds are available in anticipation to the additional assets that could be affected until the completion of the project.

On the basis of the entitlement matrix above, Land Acquisition and Resettlement budgets for the proposed Branch Road for Section 2 and 3 are estimated to cost **USD 744,061.67** and **USD 890,817.4** respectively. Section 1, which is currently outside the scope of the project, is **USD 744,061.67**. Out of these estimated budgets, 10 percent is reserved as a contingency.

SECTION 1: AITUTO - HATUBUILICO

	Qty.	Unit in SqM	Total Cost
Affected Structures	9	344.74	USD 28,965.70
Compensation for residential land - USD 5/sqm		12367	USD 61,835

¹³ Productive assets will be determined during the IOL and if found that affected assets represent the main source of income of PAPs.

Compensation for agricultural land - USD 5/sqm		51020	USD 255,100
Compensation for claimed non-productive land/vacant land - USD 3/sqm		73530	USD 220,590
Compensation for government land - USD 5/sqm		4160	USD 20,800
Compensation for affected trees	8656		USD 85,529
Subsistence allowance for relocation in-situ (both residential and commercial) - USD 100 x 2 months	5 HHs		USD 1,000.00
Transportation allowance for owners of affected residential and commercial structures - USD 100	5 HHs		USD 500.00
Subsistence allowance if the remaining land is no longer viable – USD 100 x 3 months	4		USD 1,200
Additional allowance for vulnerable PAPs - USD 100 x 3 months	3		USD 900.00
SUB-TOTAL			USD 676,419.70
Contingency 10%			USD 67,641.97
TOTAL for SECTION 1 (approx.)			USD 744,061.67

SECTION 2: HATUBUILICO - LETEFOHO

	Qty.	Unit in SqM	Total Cost
Affected Structures	40	2151	USD 261,645
Compensation for residential land - USD 5/sqm		14909	USD 74,545
Compensation for agricultural land - USD 5/sqm		23687	USD 118,435
Compensation for claimed non-productive land/vacant land - USD 3/sqm		23510	USD 70,530
Compensation for government land - USD 5/sqm		1360	USD 6,800
Compensation for affected trees	8656		USD 85,529
Subsistence allowance for relocation and impacts on commercial structures - USD 100 x 2 months	21 HHs		USD 4,200
Transportation allowance for owners of affected residential and commercial structures - USD 100	21 HHs		USD 2,100
Subsistence allowance if the remaining land is no longer viable – USD 100 x 3 months	4 HHs		USD 1,200
Additional allowance for vulnerable PAPs - USD 100 x 3 months	6		USD 1,800
SUB-TOTAL			USD 626,784
Contingency 10%			USD 62,678.4

TOTAL for SECTION 2 (approx.)			USD 689,462.4
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SECTION 3: LETEFOHO - GLENO

	Qty.	Unit in SqM	Total Cost
PROPOSED ALIGNMENT			
Affected Structures	24	905	USD 109,675
Compensation for residential land - USD 5/sqm		9409	USD 47,045
Compensation for agricultural land - USD 5/sqm		45960	USD 229,800
Compensation for claimed non-productive land/vacant land - USD 3/sqm		11460	USD 34,380
Compensation for government land - USD 5/sqm		tbd	tbd
Compensation for affected trees		20067	USD 202,129
Subsistence allowance for relocation and impacts on commercial structures - USD 100 x 2 months	17 HHs		USD 3,400
Transportation allowance for relocated HHs - USD 100	17 HHs		USD 1,700
Subsistence allowance if the remaining land is no longer viable – USD 100 x 3 months	13 HHs		USD 3,900
Additional allowance for vulnerable PAPs - USD 100 x 3 months	8		USD 2,400.00
TRACER (further verification needed)			
Affected land by GoTL's emergency road (claimed)		22,954	USD 114,770
Affected trees (claimed)		6,330	USD 60,635
SUB-TOTAL			USD 809,834
Contingency 10%			USD 80,983.4
TOTAL for SECTION 3 (approx.)			USD 890,817.4

H INSTITUTIONAL ARRANGEMENT

MoPW as the EA has overall responsibility for implementing the LARAP. The PMU under MoPW has established an Environmental and Social Unit (ESU) composed of an international and national social safeguards and environmental specialists to work with the Design Consultant (DC) and PISC safeguards consultants. The DC and PISC on the project will also provide an international social safeguards specialist to work with the PMU on all resettlement and consultation tasks. At the project completion, a final social safeguards compliance report will be submitted to Word Bank by the MPW/PMU.

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

- Strengthen its capacity with a social safeguards specialist in planning, coordination, implementation and monitoring of land acquisition and resettlement;

- Train counterpart staff and monitor resettlement in the sub-projects;
- Conducting of consultations and ensuring that the APs are well-informed on the resettlement and compensation;
- Conducting negotiation with the APs with the value of compensation at replacement cost based on the reference price unit.
- Coordination with the MPW, MOJ and NDLPSC and ensuring a prompt, adequate and timely implementation of the RP according to the RF Monitoring and reporting resettlement activities.

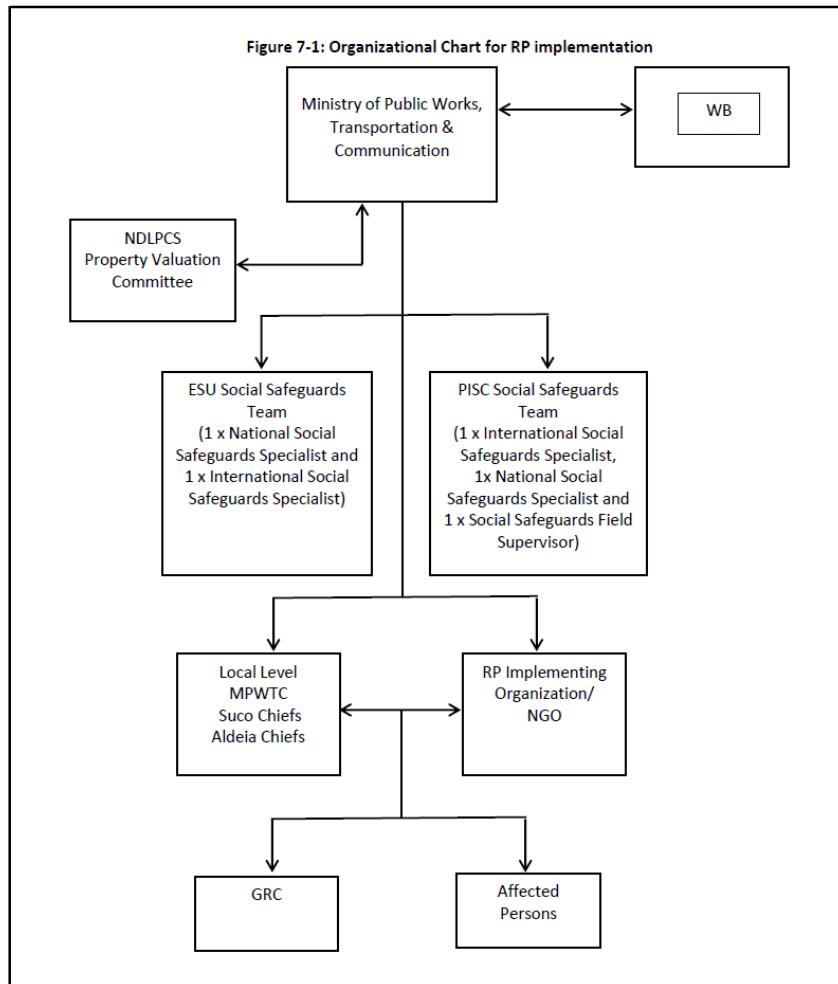


Diagram 1: LARAP Institutional Arrangement

a. Roles and Responsibilities

To ensure the success of this project, all concerned public and private organizations and institutions must strive to work closely together in policy and program formulation and implementation of the project as well as the LARAP implementation.

Table 3: Roles and Responsibilities

Agency	Roles and Responsibilities
Executing Agency: MOF/CAFI Implementing Agency - MPW	a. Overall execution of the project; b. Directs the PMU; c. Provide funds for LARAP implementation; d. Liaise with the World Bank

MoPW and PMU	<ul style="list-style-type: none"> a. Manages social and resettlement aspects of the project, including financing of the LARAP; b. Works with the design and supervision consultants relative to all resettlement planning and implementation; c. Organizes public consultations and disclosure of resettlement planning documents in accessible language and forms; d. Disclose the LARAP in local websites as well as in accessible places in project locations; e. Carries out land acquisition, including negotiation with PAPs according to the provisions in the LARAP and GoTL's laws in coordination with the Ministry of Justice as well as NDLPCS; f. Ensures that PAPs receive prompt compensation payments and livelihoods support – adequately and effectively – in compliance with the LARAP, the World Bank's safeguards policy and Timor Leste's laws and regulations; g. Establishes a grievance redress system designed to address complaints from PAPs in a responsive and timely fashion; e. Liaises with the World Bank on all matters related to resettlement and submit regular implementation reports of the LARAP.
MOJ/NDLPCS	<ul style="list-style-type: none"> a. Oversees and reviews the implementation of land acquisition and resettlement according to the agreed LARAP; b. Guides PMU in addressing issues that require policy direction in conjunction with the current/prevaling laws and regulations; c. Collaborate with the PMU to verify and validate land compensation values in conjunction with the provisions in the LARAP.

b. Compensation Payment Arrangements

Compensation payments will be made through these established processes, which have been adopted for other road projects in Timor Leste.

- 1. Preparation of Request for Payment.** Request for payment with summary list for each of the PAPs will be prepared by the PMU. This document entitles the PAP to receive the amount indicated in the invoice.
- 2. Delivery of Money to Local Banks.** The PMU will initiate the opening of bank account for each PAP who doesn't have existing BNCTL accounts. The compensation and entitlements then accorded to the APs will be remitted by MPW/MOF to the PAPs individual BNCTL accounts.
- 3. Payment of Compensation.** Each PAP will receive compensation for their affected assets directly to their respective BNCTL account. The PAP shall sign acknowledgement receipt and a waiver detailing the whole amount deposited in their bank account and has no longer any pending claims over the affected property. A photograph shall likewise be taken with the PAP upon receipt of compensation as record of proof and as part of project documentation.
- 4. Identity of Affected Person.** Complete required documents such as Original Karta Konkordansia, Photocopies of National Identity Card, Photocopy of BNCTL/IBAN Account Number and Detailed Description/Photographs of Affected Properties.

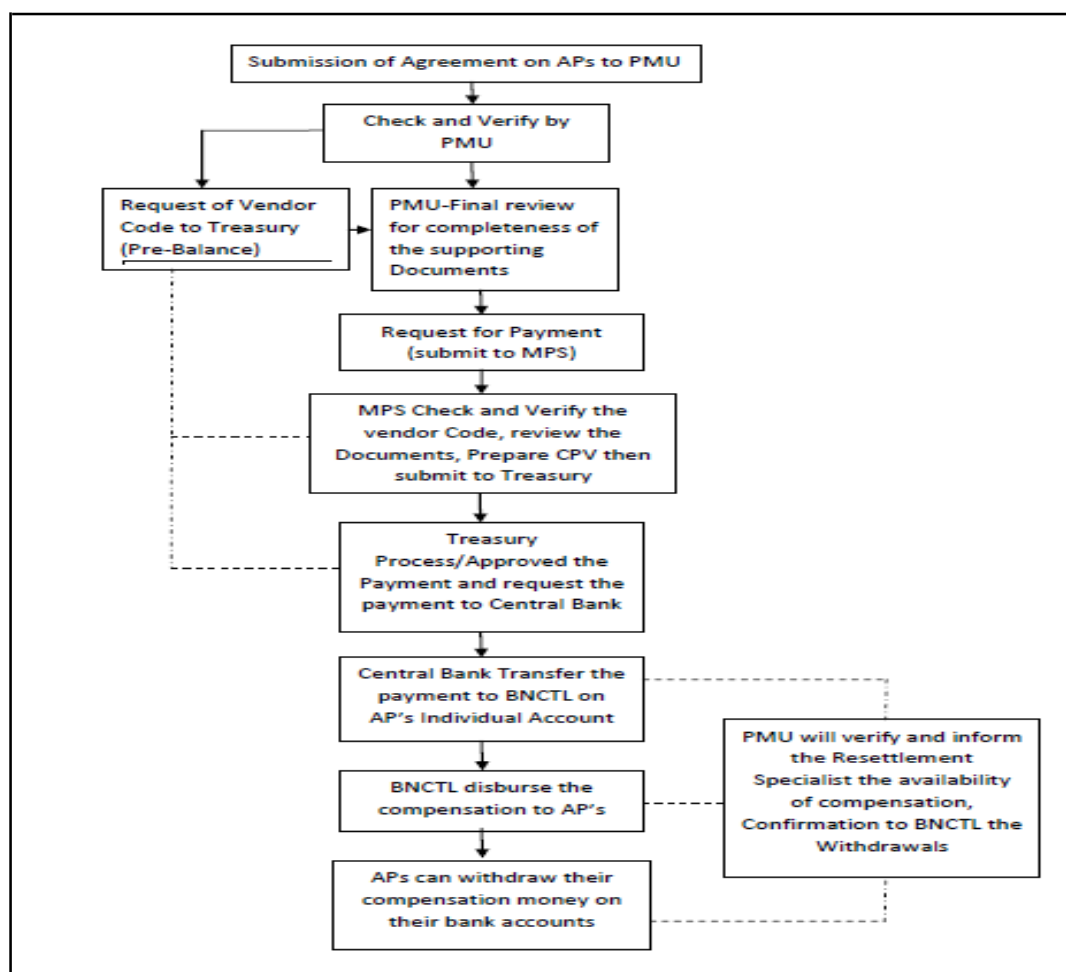


Diagram 2: Compensation Payment Arrangement

c. Monitoring and Evaluation

The main objective of monitoring the implementation of the Resettlement Plan is to determine whether or not the LARAP is carried out in accordance with the Resettlement Framework and to provide feedback to PMU/MPW and to assess its effectiveness. It involves the monitoring of compensation for lost assets and land acquisition if necessary. Follow up monitoring and evaluation of the implementation of the compensation process will be conducted to make sure that PAPs receive their compensation as described in the LARAP. Furthermore, evaluation of the resettlement activities will also be conducted following implementation of the LARAP to assess whether the resettlement objectives were appropriate and whether they were met, specifically, whether livelihoods and living standards have been restored or enhanced if there is any. The evaluation will also assess resettlement efficiency, effectiveness, impact and sustainability, drawing lessons as a guide to future resettlement planning.

Monitoring of all resettlement activities, consultation tasks and reports to the World Bank will be conducted by the national and international social safeguard specialists of the Environmental and Social Unit (ESU) established in the PMU. Monitoring will include reporting on progress in the activities envisaged in the implementation schedule with particular focus on public consultations, land purchase (if required), determination of compensation, compensation payment occurred, record of grievances and status of complaints, financial disbursements, and level of satisfaction among PAPs. Potential indicators for monitoring are presented in the table below (table 4).

Table 4: Monitoring and Evaluation Matrix

Monitoring Issues	Indicators
Budget and timeframe	<ul style="list-style-type: none"> a. Have all safeguards staff under the ESU been appointed and mobilized for field and office work? b. Have capacity building and training activities been completed? c. Are resettlement implementation activities being achieved in accordance to the agreed implementation plan? d. Are funds for resettlement being allocated on time? e. Have the PMU received the scheduled funds? f. Have funds been disbursed according to the LARAP?
Delivery of PAP entitlements	<ul style="list-style-type: none"> a. Have all PAPs received entitlements according to the numbers and categories of losses as set out in the entitlement matrix? b. How much compensation has been paid? c. What is the status of other payments not yet paid? d. How many affected households relocated and built their new structures at new locations? e. Are income and livelihoods restoration activities being implemented as planned? f. Have the affected businesses received appropriate entitlements? g. How many kilometers are free as workable areas?
Consultation, Grievances and Special Issues	<ul style="list-style-type: none"> a. Have resettlement information brochures/leaflets been prepared and distributed? b. Have consultations taken place as scheduled including meetings, groups, community activities? c. Have any PAPs used the grievance redress procedures? d. What were the outcomes? e. Have conflicts been resolved?
Benefit Monitoring	<ul style="list-style-type: none"> a. What changes have occurred in patterns of occupation compared to pre-project situations? b. What changes have occurred in income and expenditure patterns compared to pre-project situations? c. Have PAPs income kept pace with these changes? d. What changes have occurred for vulnerable groups?

d. Reporting

The Social Safeguards Monitoring (SSM) will be undertaken by the International and National Social Safeguards Specialists from the PISC. The National Social Safeguards Specialists prepare monthly reports for submission to PMU and the monthly reports are integrated into quarterly progress reporting (QPR) by the International Social Safeguards Specialist to be submitted to MPW and WB. The ESU has inputs to the QPR. Semi-annual safeguards monitoring reports will be prepared by PMU and to be submitted to MPW and the World Bank. Relevant information from these reports will be disclosed in the project areas and shall be available in local languages.

I FEEDBACK AND GRIEVANCE REDRESS MECHANISM (FGRM)

The FGRM has been based on existing arrangements for redress of grievances for affected persons which are through complaints to the village and suco committees up to the district level and then through the PMU and back to the agency which implements a project. This indirect route will remain in place to preserve the usual administrative remedies. The process to deal with project complaints and grievances is based on this existing/traditional approach, experience of dealing with complaints for other projects and the results from GRM established for other projects implemented by the PMU.

It is anticipated that four categories of grievances on projects are related to: land, physical asset and trees acquisitions grievance such as disputes related to ownership of affected assets; agreement of compensation amount; late payment of compensation amount; number of affected asset and etc.

Category I: Land, physical asset and trees acquisitions grievance

To handle any concern regarding category I, the GRM follow GRM in the approved Resettlement Plan. The complaint that cannot be solved on the spot, it may need to be mediated by involving outside parties. One or more Grievance Redress Committee/s (GRCs) will be set up for the project/sub-project based on the local administrative units (District/Sub-district/Sucos/Aldeis) as well as to facilitate easy accessibility of APs to address any complaint regarding the category I.

The proposed composition of the GRCs is as below:

- a. MPW-PMU;
- b. Project Implementation Supervising Consultant (RS, EO, RE) Local Administration (District/Sub-District and Suco/Aldeis Chiefs) Recognized civil society leaders;
- c. Government representatives;
- d. At least one female member within the GRC.

Table 5: Land/Compensation Related Grievances

Step	Process	Duration
1	PAPs submit grievances to Suco Chiefs in person and Suco Chiefs notify the PMU focal point (PISC)	
2	Suco Chief in coordination with PMU/Consultant facilitates to redress grievance and reports back to PAPs	7 days
If unresolved or if PAPs want to go directly to the GRC or PMU		
3	PAPs or PMU focal person will take the grievance to the GRC/PMU/Community Liaison Officer	Within 2 weeks of receipt
4	Issues discussed at project liaison meetings of Grievance Redress Meeting	1 week
5	PMU/Community liaison officer reports back to Sucos/PAPs	5 days
If unresolved		
6	PAP take grievances to MPW/SEFOPE (Secretario Estado de Formacau Professional)	Within 2 weeks of receipt
7	MPW/SEFOPE refers to the matter to an internal committee (PMU)	2 weeks

If unresolved		
9	PAPs can take the matter to the appropriate court	As per judicial system

Category II: Construction Grievance

The process of the GRM to handle any grievance regarding category II is as follows:

Step	Process	Duration
1	PAPs submit grievance to the local administration or through Suco Chief in person and Suco Chief notifies the PMU focal point/Consultant who then notifies the grievance to contractor or Suco Chief notifies directly to Contractor	Contractor has to address the grievance within 2 weeks after the grievance is received by contractor
2	Suco Chief in coordination with PMU/Consultant facilitates to address grievance and reports back to PAPs	
3	Consultant can forward the grievance to PMU in order PMU to instruct the contractor to redress the grievance	

All complaints will be documented in writing and maintained in a database such as in a simple excel file. The grievance log will capture the name of the complainants, date of submission, the complaint being made verbally or in written directly to project proponent or through informal or traditional systems (such as Suco Chiefs or community leaders), the issue raised and location of complaints circle around, the status of the complaint (resolved or not resolved or referred to third party). After the resolved agreed, the database should also cover the solution and the date of solution.

All supporting documents of meetings needed to achieve resolution should be part of the file related to the complaint. This should include meetings that have been escalated to an appeals level or are handled by a third party. The Engineer under PISC is encouraged to log all complaints.

At a minimum, the database should track and report in the project monthly report the following information:

- #complaints received;
- #complaints addressed;
- #complaints responded and/or resolved within stipulated service standards for response times (3 months);
- The above information will become monitoring indicators.

J DISCLOSURE

The primary objective of the disclosure is to inform and continually update about the project and to engage with affected stakeholders to seek and maintain active participation and support of PAPs, project-affected communities and their representatives throughout the various stages (appraisal, planning, implementation, follow up, monitoring and evaluation) of the project.

Key aspects of this LARAP have already been disclosed to the PAPs during the stakeholder consultation and discussions, census and socio-economic surveys and field level meetings with PAPs, political administration and concern Agencies. In addition, following steps will be undertaken for disclosure of LARAP:

- a. Relevant information of the draft RAP will be disclosed to PAPs in Tetum and serve to inform PAPs about key aspects of the compensation and entitlements established for Branch Road and the implementation and monitoring mechanisms that will ensure transparent and fair execution of these aspects.
- b. PMU and Implementing Contractor will send to all PAPs a pamphlet in Tetum summarizing the content of this LARAP, the entitlements matrix, the terms of agreement between the customary elders, Suco and Aldeia chiefs and the PAPs, and agreed compensation rates. The summary LARAP in Tetum will also be posted in major gathering places such as markets, and main government offices.
- c. The draft LARAP will be updated including final impacts, inventory and compensation costs following the finalization of the DED.
- d. Following the World Bank's approval and clearance, the final LARAP will also be uploaded on PMU and the World Bank's websites while hard copies of the approved LARAP will be placed in relevant government departments and offices.

ANNEX 1: PUBLIC CONSULTATION RECORDS

To ensure wider participation, written and verbal invitations were carried out to notify the respective Sucos and Aldeia Chefes as well as their constituents especially those who will most likely be affected within the construction limits and/or road Right of Way (ROW). Project information booklet together with invitation letters have been disclosed to key project stakeholders, local communities who will potentially be impacted. These consultation materials were provided in a local language (Tetun) prior undertaking consultations.

A series of consultations was conducted from 12 to 26 September 2018 in two affected districts (Ermera and Ainaro), four affected Subdistricts (Maubisse, Hatubuilico, Letefoho, and Ermera) and in 11 villages (Sucos). The purpose was to inform local communities and other relevant stakeholders, particularly District and Suco Governments about the proposed project, the road proposed alignments, key social and environmental safeguard issues and to receive their inputs and understand their concerns and aspirations. Inputs obtained from these consultations have been considered and used to inform the Branch Road alignment and adjustments in order to minimize land taking impacts and hence, reduce the need for resettlement and impacts on productive agricultural crops, particularly coffee.

Select ad-hoc consultations, focus group discussions and meetings with potentially affected people and concerned stakeholders were conducted by the resettlement team in the period of November and December 2018 and prior to conducting Land Acquisition and Resettlement (LAR) impacts assessment and Tracer. However, a follow up public consultation meeting with a specific neighborhood who may be relocated in Letefoho Sub-district (Section 2) will be updated following DED finalization.

In general, the proposed project received broad community supports and requested the process to be continued. In total, more than 400 peoples actively attended the meetings and consultations. Key government representatives such as the Land and Property, Forestry, Electricity, Water and Sanitation, Health, Education Offices and coordinators of veterans, customary leaders, priest of Letefoho Parish, village chapels, local NGOs, development partners, including former Administrators of Postu of Maubisse, Hatobuilico, and Leteho have supported the proposed project and expected the civil works can be implemented soon.

The project constituents and beneficiaries requested that in each residential area, school, Church, chapel, village offices and markets, side walks should be included into the project design. Some spots for pick up points (i.e. bus stops) should also be added. Public utilities to be protected and secured before and during construction. The final design should avoid impacts on important cultural heritage sites which belong to extended families as well as respected by Aledia / Suco and Sub-district / district.

Specific recommendations from each Suco with regard to the proposed Branch Road alignment and project design and how they are addressed described below.

Table 6: Consultation Summary

SECTION 1 Aituto-Hatubuilico		
Suco / District	Concerns / Suggestions Expressed	Concerns Addressed
Horai Quik Suco.	Community requested specific measures to avoid impact on the customary house (Uma Lulik) owned by an extended family. Publicly owned cultural heritage sites, including holly water and holly tree) called as Haeluli and a historical stone used as altar uphill called Hautsau should also be avoided.	Realignments on Aituto Entrance have been included in the DED as of November 2018 to avoid impacts on Uma Lulik and permanent houses. The final DED of Feb 2019, however has modified Aituto entrance, which may require more land area to be acquired. Therefore, some private land and semi-permanent houses and kiosks may likely be affected. Impact assessment on these specific access points as well as consent from those additional affected persons shall be obtained prior to RAP implementation.
Mulo Suco.	Community requested to respect customary houses near the road alignment and protect public water sources commonly used by local peoples. Cefe de Suco of Mulo indicated critical land slide spots in Mulo and suggested to be followed up by Soil and Land Slice expert to assess the area.	Impacts on customary houses have been avoided. Public water sources will be protected prior to the civil works as indicated in the EMP.
Nunumoge Suco.	Head of Hatobuilico Sub-district suggested to add the alignment from Hatobulico intersection to government office complex, and access to local tourism objects (Ramelao Mountain, Puzada, Hatobuilico Lau / Historical Stones (5.2 km).	PMU has discussed the possibility of scaling up the benefits of the project with the World Bank. Yet, this may not be included under this current project.
SECTION 2 Hatubuilico – Letefoho		
Suco / District	Concerns / Suggestions Expressed	Concerns Are Addressed
Katarai Karaik Suco	Community was concerned over the project's potential impacts on their cultural heritage site named Urbo. This cultural heritage location is near by the existing road – about 20 meters on the southern part of the road. Katarai Karaik community and customary leaders requested the project to protect the Urbo and its surrounding to avoid potential	The road alignment and DED has incorporated such concerns and avoid possible impacts to this identified cultural heritage site. However, community request for development of the Urbo Cultural Heritage site may not be included in this current project. The project's ESMP has included measures to avoid the impacts on this cultural

	impacts.	heritage site.
Dukurai Suco	The community was concerned if road widening up to national standard may affect their chapel front-yard area. An alternative route is suggested behind the chapel. Another concern is potential impacts on one elementary school in Dukurai. The school's front-yard area is prone to landslides and hence, may increase risks of collapse following widening and slope-cutting. The community requested that a retaining wall be built in the area.	The design and engineer team together with the resettlement team had a follow-up discussion and site inspection together with the Dukurai Chapel representative and Dukurai Suco Head and agreed to adopt a special design that will minimize the impacts, including installation of a retaining wall in landslide prone areas. The project ESMP has indicated mitigation measures for all impacts foreseeable at this time.
Haupu Suco	The community was concerned about their cultural heritage site called Asnaupae (i.e. customary forest, mountain, and holly water springs). Local community and local government officials requested the project to respect their cultural value and tradition (Asnaupae) and ensure measures are in place. The community suggested the project design to include a revision to alter the newly installed drainage by the government back to its original route.	The design and engineer team together with resettlement team had a follow discussion and site inspection together local leaders and Haupu Suco Head and agreed to adopt a special design that will minimize the impacts. The project ESMP has indicated mitigation measures for all impacts foreseeable at this time.
LETEFOHO DISTRICT Common Concerns	The priest of the Letefoho Church suggested an alternative route. The church has a plan to improve the church area including the altar and meeting hall. If the road is widened to the national standard, it may affect the Church's future plan to expand its premise. The priest suggested to look for alternative routes. There are three options provided. An official letter has been sent to the PMU by the Letefoho Administrador supporting the Church request.	Special design has been adopted into the final DED of February 2019 to avoid and minimize LAR impacts in the dense neighborhood area toward the Letefoho junction. Impact assessment on the affected people who were absence during the survey conducted by the resettlement team shall be updated. A follow up ad-hoc consultation with directly affected peoples shall be made prior to RAP implementation.
	Widening of the road may affect houses and assets along the road corridor approaching the Letefoho intersection. People residing/currently owning assets near the Letefoho intersection come from mixed sucos in the Subdistrict. The head of Sub-district of Letefoho requested to	The design and engineer team together with resettlement team had a follow-up discussion and site inspection together the Letefoho Church representative. A special design has been incorporated into the DED to minimize the impacts. The project ESMP has indicated

	conduct another consultation meeting with impacted people prior to a final impact survey. Such additional consultations can be conducted in the sub-district office of Letefoho.	mitigation measures for all impacts foreseeable at this time.
Gulolo Suco	The community suggested that the proposed project explored another route (short-cut) to avoid potential impacts on a complex of historical Uma Lulik located uphill in one of the segments in the proposed alignment. Community representatives informed that they fear that further construction may impact on their historical Uma Lulik, as observed during the on-going GoTL emergency road construction.	The design and engineer team together with the resettlement team had a follow-up discussion and site inspection in Gulolo Suco. The final DED has adopted a special design to minimize potential impacts on the site, including adjustment in the alignment. The project's ESMP has indicated mitigation measures for all impacts foreseeable at this time.
Eraulo Suco.	Community suggested to include an improvement on the existing bridge outside of the proposed project alignment. It is also requesting a protection for two spring water sources used by public (just 15-20 meter from the main road).	The design and engineer team together with the resettlement team had a follow-up discussion and site inspection. The final DED and ESMP have adopted mitigation measures for all impacts foreseeable at this time.
SECTION 3 Letefoho – Gleno		
Suco / District	Concerns / Suggestions Expressed	Concerns Are Addressed
M. Estado Suco.	Community requested some widening and repair of the exiting drainages constructed by the on-going GoTL's emergency contractor to prevent/ minimize flooding which may affect the houses in the area.	The drainage team has assessed the drainage design and adopted a bigger outlet into the design.
Humboe Suco.	The Ministry of Education representative and the school principal suggested to do a short-cut to avoid impacts to school area. There is a plan to add more classrooms. Cefe de Suco of Humboe and local community understood that road widening may affect their village office and hence, another route was proposed to avoid the impact. One of the landowners, Mr. Mario Maia Exposto agreed to donate the land for the alternative route.	The proposed DED has included an alternative route to avoid impacts on Homboe public school. Consent and agreement from the land owner of the proposed route has been obtained.
Riheui Suco	No significant concern from the community in terms of the proposed project alignment as the segment has already been widened by the on-going	The DED has minimized additional LAR impacts since the alignment will use the existing footprints.

	construction activities under the Emergency project financed by Government of Timor Leste.	
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ANNEX 2: INITIAL TRACER REPORT FOR SECTION 3

A INTRODUCTION

At the preparation stage of the Branch Road Project, the GoTL commissioned an “Emergency Roads” initiatives in select segments of the Section 3. This construction has been undertaken by the DRBFC of the MoPW to address road damages and blockages due to land slides. Construction activities cover road widening, basic reparation of the existing road infrastructure, which includes installation of road-side drainage and retaining walls in some critical/landslide prone segments.

This Emergency Road Project started in 2017, initially with repairing of road surfaces. However, since June 2018, the civil works have expanded and involved slopes-cutting and back-filling and road widening.

Subsequent environmental and social impacts were reported, including community grievances due to improper management of soil disposal and slope cutting with observable impacts on community coffee plantations. Furthermore, improper land clearing and construction have also increased the risks of landslides, community health and road safety due to dust production, as well as increased run-offs with adverse impacts on spring water and ground sources. Operations of heavy vehicles and haul trucks along settlement areas have been attributed to minor damages in community infrastructure and properties (i.e. cracks). Some of the owners of affected trees (i.e. coffee) have not been compensated for their losses. Furthermore, some impacts on private land as a result of the widening were reported but not documented.

Following a joint PMU-World Bank Mission in October 2018, a Tracer Study for Section 3 was recommended. Following this mission, a tracer study was undertaken in November 2018 to document impacts that have been caused by the on-going GoTL’s emergency project. However, since the project is still on-going, and hence, impacts will continue to change, this tracer will establish an initial baseline of impacts which will be re-validated following completion of the project.

B SCOPE

As of October 2018, Section 3 (Letefoho-Gleno) has been widened and repaired under the GoTL’s Emergency Road from STA 37+450 to STA 40+900 (3.45 km) and from STA 46+100 to STA 51+000 (4.90 km). Current observation indicates that road widening covered up to 6 meters, with a 1 to 1.5-meter shoulder on each side. The widths tend to be larger on road curves. This road widening has affected Suco Goulolo and two aldeia (Baturema and Kailiti) affected by the Road widening from STA 37+450 to STA 40+900 (3.45 km). Another segment from STA 46+100 to STA 51+000 (4.90 km) affected three Socos (Eraulo, Estado, and Humboe).

The Resettlement and Environmental team conducted a tracer study to identify and record environmental and social impacts caused by the Emergency Road Project in early November 2018. A corrective action plan has been included as part of the LARAP and is intended to aid the GoTL to address existing impacts caused by the Emergency Road Project in Section 3.

By end of February 2019, the team was informed that the Emergency Road’s construction activities in Section 3 will be expanded with another additional 5.6 km length (from STA 31+900 to STA 37+500). Therefore, the total length of the Section 3 affected by the Emergency Road will approximately be 13.95 km. This Tracer report only covered impacts on the first two segments i.e. STA 37+450 to STA 40+900 (3.45 km) and from STA 46+100 to STA 51+000 (4.90 km) and hence, will

need to be updated to cover the additional segment (from STA 31+900 to STA 37+500) which was recently included.

C METHODOLOGY

The following steps were conducted for the Tracer study, which is summarized as follows:

a. Consultation with Community in Affected Sucos /Aldeias

Initial consultations with affected Suco/Aldeia were undertaken to inform affected communities about the Tracer plan and subsequent processes needed to systematically identify and document impacts. These include the process for identifying affected people as well as verification processes. Such disclosure and consultations were undertaken in all affected *Sucos/Aldeias* affected by the Emergency Road from STA 37+450 to STA 40+900 (3.45 km length) and from STA 46+100 to STA 51+000 (4.90 km length). Initial contacts were made with Suco and Aldeia chiefs. A snowball approach was adopted to identify possible PAPs and efforts were made to conduct interviews as thorough as possible. All PAPs met were informed about the tracer study plan, and confirmed a schedule for a follow up impacts assessment survey.

b. Identification and Verification of Impacts

Following the consultation and disclosure about the Tracer Study plan, detailed information of affected APs and assets impacted/claimed was collected through a series of structured interviews. Documentation was enriched with pictures and other other evidence and the combination of these was used to assess the damages/losses. The results of the assessment and validation of assets affected by the GoTL emergency road project were signed by PAPs and witnessed by Suco/Aldeia Chiefs. A Cut-off date (3x24 hours) was set to provide an opportunity to absente affected peoples to submit their complaints / claims. Given the short timeline for reporting claims, the tracer warrants further assessment and validation once the on-going road project has been completed.

D IMPACT ASSESSMENT

A Detail Engineering Design of the Section 3 was not available at the time of the tracer assessment. A request of the DED for the on-going project was made to the civil work contractor. However, no written and official information was received.

Transect walks on a sampling basis and graphic and spatial analysis of Section 3 were made to compare the road conditions before and after the construction intercepted by the Emergency Roads before and after the construction. This was confirmed with interviews with Suco/Aldeia and affected people. This information combined was used to set the boundary of the Tracer Study as well as the on-going project's corridor of impacts.

The total length of the Section 3 affected by the Emergency Roads (STA 37+450 to STA 40+900 and STA 46+100 to STA 51+000) is 8.35 km. The current conditions of the Emergency Roads segments varied in Goulolo and Eraulo. Most of civil works covering road widening, installation of retaining walls and drainages have been completed. In Estado, some minor civil works for improving drainages were observed. More extensive construction activities covering road widening, slope cutting and backfills, land compacting, installation of retaining walls and drainages are currently ongoing at the time of the assessment. In addition to immediate land taking for road widening, impacts on private properties were also reported to be associated with soil compacting and soil disposal. Some of the

newly compacted and flattened land parcels have been occupied for temporary kiosks and semi-permanent houses, which present community hazards due to landslide risks.

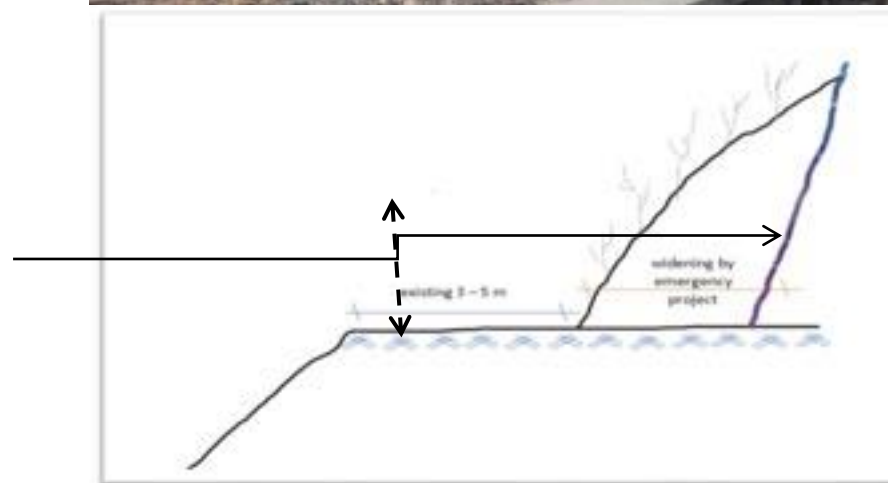
The pictures below illustrate typical impacts caused by the road widening and slope cutting activities under the GoTL emergency road project STA 37+450 to STA 40+900 (3.45 km) and from STA 46+100 to STA 51+000 (4.90 km).



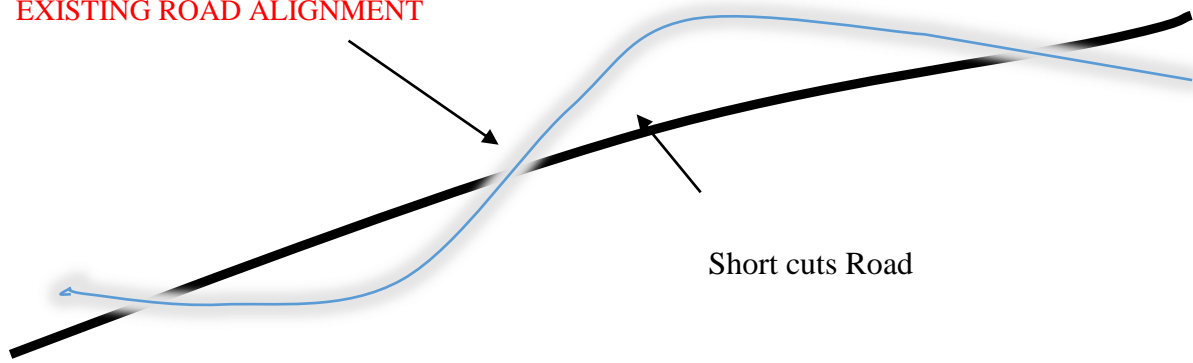
Pictures 1 and 2: slope cutting and backfilling practices

9-10 m wide ROW

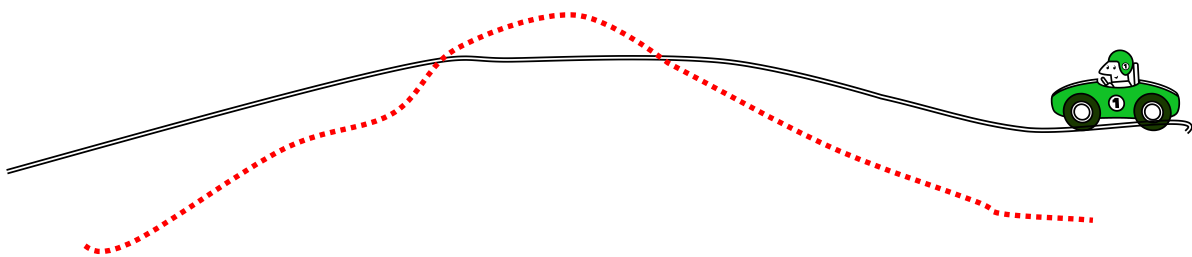
9-10 m wide ROW



EXISTING ROAD ALIGNMENT



EXISTING GRADIENT



a. Impact on Private Land and Structure

The construction activities under the GoTL's emergency road operations in the Section 3 affected 49 land owners who reside in Humboe, Goulolo and Haupu Socos. The scale of impacts varies. While some impacts are minor to the overall land holdings, some households experienced more severe impacts than the rest. Hence, further livelihoods restoration support will be needed to address impacts on these households. The types of assistance and support will be further consulted and for the purpose of the resettlement planning, the LARAP budget follows the standardized resettlement entitlements as detailed in the LARAP document.

On the basis of the initial survey, the total claims of land affected cover 22,954 square meters (STA 37+450 to STA 40+900 (3.45 km) and STA 46+100 to STA 51+000 (4.90 km)). Such impacts were mostly attributed to slope cutting as well as improper soil disposal on productive agricultural land.

All identified 24 affected land parcels in Goulolo Suco and Haupu Suco are equipped with land ownership certificates issued by the Indonesia's Land Agency (BPN), which is also recognized under the current GoTL's law. These affected private land parcels were either expropriated or impacted without adequate compensation and required improvements such as retaining walls and/or land compaction to prevent and/or minimize risks associated with landslides as well as damage on private structure i.e. cracks. Such impacts have been documented in the Branch Road Project's (BRP) ESMP.

In Sucos where the status of land ownership could not be verified, such as in Suco Humboe, claimants were not previously consulted and hence adequately compensated. The tracer study indicates that there were some arguments on the establishment of a new boundary for the ROWs which were recognized as the government's land and therefore, further consultations to settle land claims will need to be conducted prior to the BRP's implementation. No claims on private structures impacted by the GoTL's emergency road project were reported.

b. Impacts on Productive Trees / Crops

The Tracer indicates that there is no private structure directly affected or claimed. However, impacts on agricultural land, which subsequently affected productive crops and trees, including coffee, bamboo, banana, ai-kakeu, jack fruit, mango, avocado, and some different varieties of timber woods like ai-teka, ai-na and gemilina were reported. Since Ermera is known as a coffee growing area, there are 41 land owners whose coffee plantations have been affected by improper soil disposal as a result of the GoTL's emergency road construction activities. Out of the 41 coffee farmers identified, 9 experienced more severe impacts than the others due to the number of trees impacted. Further assessments with regards to livelihoods impacts as a result of the GoTL's emergency project will need to be completed as part of the tracer updating process.

About 40 percent of the coffee trees affected have been compensated at a value of \$ 5.00 per tree. The remaining 60 percent of the coffee trees have not been or have been partially compensated. The contractors were reported to have promised to compensate landowners, which would warrant monitoring by the GoTL.

c. Lack of Consultation and Disclosure, Underpaid Compensation Value and Improper Damage Assessment by Local Contractors

All affected land owners as well as Suco/Aldeia chiefs informed there was no public consultation conducted to inform about the Emergency Road construction activities in the area. Disclosure was only done through sign boards in front of the contractors' office indicating the project duration, total budget, contractor name and budget amount and source. The tracer study also indicated that partial information was disseminated and access to information about project activities relied on project supervisors and contractors who interacted directly with affected communities.

Compensation payments were made directly to complainers following agreements on damage assessment results and valuation of affected trees/crops. Only agricultural land parcels with productive crops and productive plants (i.e. coffee, banana, jack fruit, orange etc) were compensated. Timber trees which serve as shades for the coffee plantation, such as albasia and acacia. Except for these shade trees, the contractor used the same price standard for each tree, which is USD 5 per stem of trees. Payments were made in cash in two tranches (usually within 2 months).

E CORRECTIVE ACTION PLAN

a. Top-up compensation and livelihoods restoration assistance

GoTL has issued a standard price to value trees/crops affected by government projects. The standard price was issued in 2014 by State Ministry of Agriculture. On the basis of this standard pricelist, underpaid compensation values for trees /crops affected shall be re-assessed to determine the differences. Top up compensation values shall be made to cover the gap. Unpaid trees/crops shall be fully paid using the prevailing Standard Price for Trees/Crops applicable at the time of tree/crop cutting. A detailed inventory of affected trees/crops is provided in Table 4.

Eight (9) affected people/households were assessed to be severely affected due to significant loss of incomes as indicated in Table 1 and hence, shall be entitled to livelihood restoration support. Available packages for such support will be further discussed in consultations with these affected people/households.

Twenty-four (24) affected land owners with recognized land certificates (issued by Indonesia's Land Agency) are entitled for full compensation of their private land parcels affected/expropriated by the GoTL's Emergency Road Project. Similar to section 2, a negotiated settlement approach will be adopted and a standard compensation value for private land parcels will be issued by GoTL as a benchmark for negotiation. The same standard for compensation package and/ or agreed mitigation measures for the remaining of twenty-five (25) affected land owners whose certificates of ownership will apply following due processes to verify and validate land ownership.

b. Addressing grievances and strengthening consultations and community engagement

For the upcoming additional construction activities under the GoTL's Emergency Roads (from STA 31+900 to STA 37+500) or 5.9 km length, a standardized FGRM as well as consultation requirements under the Branch Road Project shall be applied to avoid and minimize potential adverse impacts.