

**GOVERNMENT OF THE PEOPLES' REPUBLIC OF BANGLADESH
PRIME MINISTER'S OFFICE
BANGLADESH ECONOMIC ZONES AUTHORITY**

**PRIVATE SECTOR DEVELOPMENT SUPPORT
PROJECT (PSDSP)**

**RESETTLEMENT & SOCIAL
MANAGEMENT FRAMEWORK (RSMF)**

OCTOBER 2015

**SUPPORT TO CAPACITY BUILDING OF BANGLADESH ECONOMIC
ZONES AUTHORITY PROJECT**

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ACRONYMS & ABBREVIATIONS

<i>AB</i>	Acquiring Body
<i>ARP</i>	Abbreviated Resettlement Plan
<i>BCC</i>	Bangladesh Computer Council
<i>BEI</i>	Bangladesh Enterprise Institute
<i>BEPZA</i>	Bangladesh Export Processing Zones Authority
<i>BEZA</i>	Bangladesh Economic Zones Authority
<i>BOI</i>	Board of Investment
<i>CIDA</i>	Canadian Development Agency
<i>CUL</i>	Compensation-Under-Law
<i>DC</i>	Deputy Commissioner
<i>DfID</i>	Department for International Development
<i>DOE</i>	Department of Environment
<i>EC</i>	European Commission
<i>EPZ</i>	Export Processing Zone
<i>ESC</i>	Environmental and Social Cell
<i>FDI</i>	Foreign Direct Investment
<i>FTPP</i>	Framework for Tribal Peoples Plan
<i>FIAS</i>	Foreign Investment Advisory Services
<i>GOB</i>	Government of Bangladesh
<i>GRC</i>	Grievance Redress Committee
<i>GRM</i>	Grievance Redress Mechanism
<i>HTPA</i>	Hi-Tech Parks Authority
<i>HTG</i>	House Transfer Grant
<i>HCG</i>	House Construction Grant
<i>IDA</i>	International Development Agency
<i>TPP</i>	Tribal Peoples Plan
<i>LAP</i>	Land Acquisition Proposal
<i>LGI</i>	Local Government Institution
<i>MFA</i>	Multi Fiber Agreement
<i>MOPT&ICT</i>	Ministry of Posts, Telecommunications and Information & Communication Technology
<i>NGO</i>	Non-Government Organization
<i>OP 4.01</i>	Operational Policy 4.01 (on Environmental Assessment)
<i>OP 4.10</i>	Operational Policy 4.10 (on Indigenous Peoples)
<i>OP 4.11</i>	Operational Policy 4.11 (on Physical Cultural Resources)
<i>OP 4.12</i>	Operational Policy 4.12 (on Involuntary Resettlement)

<i>PD</i>	Project Director
<i>PESC</i>	Project Environment and Social Cell
<i>PIF</i>	Public Investment Facility
<i>PMU</i>	Project Management Unit
<i>PPP</i>	Public Private Partnership
<i>PSDSP</i>	Private Sector Development Support Project
<i>RB</i>	Requiring Body
<i>RP</i>	Resettlement Plan
<i>RMG</i>	Readymade Garment
<i>RPF</i>	Resettlement Policy Framework
<i>SIA</i>	Social Impact Assessment
<i>RSMF</i>	Social Management Framework
<i>TA</i>	Technical Assistance
<i>TOR</i>	Terms of Reference
<i>USA</i>	United States of America
<i>WB</i>	World Bank

DEFINITION OF SELECTED TERMS USED IN THIS RSMF

Compensation: Payment made in cash to the project affected persons/households for the assets acquired for the project, which includes the compensation provided in the *Acquisition and Requisition of Immovable Property Ordinance 1982* and others stipulated in this Resettlement and Social Management Framework (RSMF).

Compensation-Under-Law (CUL): Refers to the compensation assessed for the acquired lands and other assets, such as trees, houses/structures, etc., by Acquiring Body (District land administration, headed by Deputy Commissioners) as per the methods provided in the Land Acquisition Ordinance, and paid by the Deputy Commissioners.

Consultation Framework: In view of their stakes and interests in the project or subprojects, the framework is prepared to guide the project preparation team about who are to be discussed / consulted about the overall project and its positive and negative social impact implications and to seek their inputs and feedbacks in the different stages of the project cycle.

Cut-off Dates: These are the dates on which censuses of the affected persons and their assets are taken. Assets like houses / structures and others, which are created and the persons or groups claiming to be affected, after the cut-off dates, become ineligible for compensation and assistance. For private lands, these dates will however not constitute 'cut-off dates', if the legal Notice-3 is already issued before the censuses are taken. In such a situation, the Notice-3 dates are considered 'cut-off dates', as the acquisition ordinance prohibits changes in the appearance of the lands after issuance of Notice 3.

Entitlement: Refers to mitigation measures, which includes cash payments by DCs and project implementing agencies, as well as any non-cash measures stipulated in this RSMF (e.g., allowing the affected persons to keep felled trees, salvageable building materials, etc., for which compensation is already paid).

Income Restoration: Refers to re-building the capacity of the project affected households to re-establish income sources at least to restore their living standards to the pre-acquisition levels.

Tribal Peoples: Unless they are already recognized, the Tribal Peoples are identified in particular geographic areas based on these four characteristics: (i) self-identification as members of a distinct tribal cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) an tribal language, often different from the official language of the country or region.

Involuntary Resettlement: The situation arises where the State's power of eminent domain requires people to acquiesce their rights to personal properties and re-build their lives and livelihood in the same or new locations.

Participation/Consultation: Defined as a continuous two-way communication process consisting of: 'feed-forward' the information on the project's goals, objectives, scope and social impact implications to the project beneficiaries, and their 'feed-back' on these issues (and more) to the policymakers and project designers. In addition to seeking feedback on project specific issues, participatory planning approach also serves the following objectives in development projects: public relations, information dissemination and conflict resolution.

Physical Cultural Resources: Defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural resources may be located in urban or rural settings, and may be above or below the ground, or under water. Physical cultural resources are important as sources of valuable scientific and historical information, as assets for economic and social development, and as integral parts of a people's cultural identity and practices.

Project-Affected Person/Household: Persons / households whose livelihood and living standards are adversely affected by acquisition of lands, houses and other assets, loss of income sources, and the like.

Rehabilitation: Refers to improving the living standards or at least re-establishing the previous living standards, which may include re-building the income earning capacity, physical relocation, rebuilding the social support and economic networks.

Relocation: Moving the project-affected households to new locations and providing them with housing, water supply and sanitation facilities, lands, schools and other social and healthcare infrastructure, depending on locations and scale of relocation. [Homestead losers may also relocate on their own in any location they choose.]

Replacement Cost: The World Bank's OP 4.12 on Involuntary Resettlement describes "replacement cost" as the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets are not taken into account. For losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard.

Stakeholder: Refers to recognizable persons, and formal and informal groups who have direct and indirect stakes in the project, such as affected persons/households, shop owners, traders in sidewalks/kitchen markets, non-titled persons, community-based and civil society organizations.

Top-Up Payment: Refers to Implementing Agency's payment in cases where the compensation-under-law (CUL) determined and paid by DCs falls short of the replacement costs/market prices of the affected lands and other assets.

Vested Non-Resident Properties: Originally known as "enemy properties", these have been left behind by the people of minority communities who migrated to India and other countries since the independence and partition of India in 1947. Some of these properties have been identified thru 1984, and have since been leased to private citizens or allocated to various government agencies. The act is known to be controversial and have been widely abused.

EXECUTIVE SUMMARY

BACKGROUND

1. This Resettlement and Social Management Framework (RSMF) is prepared by Bangladesh Economic Zones Authority (BEZA) under the Prime Minister’s Office (PMO) to deal with social safeguard issues and impacts that may arise during implementation of the Private Sector Development Support Project (PSDSP). The project is designed to help the Bangladesh private sector to increase its competitiveness in the global market by diversifying the country’s export basket. The provisions adopted in the RSMF are in accord with the World Bank’s project financing policy that requires the borrowers to assess potential social safeguard issues and impacts in project preparation, and adopt and implement appropriate measures to mitigate them, in compliance with its specified policies. *Although prepared by BEZA with reference to subprojects like EZs it would implement, this RSMF will apply to all potential subprojects under PSDSP, regardless of whichever agencies/authorities implementing them.*

2. It is determined that PSDSP would involve issues and impacts that are to be addressed during selection of sites for EZs, including those required to improve the existing offsite support infrastructures, or to build new ones, and preparation and implementation of the land-based works. Lands for the EZ sites would be made available from *khas* and others owned by various government agencies, as well as from private ownerships. This triggers the Bank’s OP 4.12 on Involuntary Resettlement. Applicability of OP 4.10 on Indigenous Peoples¹ will remain unknown until an EZ is located in areas inhabited by tribal peoples and it affects them in manners contradictory to their traditional and cultural way of life. BEZA has nevertheless decided that the RSMF should also take into account the OP 4.10 on indigenous peoples. As such, consistent with the Bank’s OP 4.10 and OP 4.12, the RSMF proposes principles, policies, guidelines and procedure to identify and address impact issues concerning both involuntary resettlement and tribal peoples.

RSMF OBJECTIVES

3. The RSMF provides principles, policies, guidelines, and procedures to help BEZA and other authorities/agencies, which might also intend to undertake subprojects under PSDSP, to select, design and implement them with the following objectives:

- Enhances social development outcomes of the project as a whole and the individual subprojects;

¹ The Government of Bangladesh (GOB) does not recognize any community as “indigenous”. The communities, which conform to the World Bank’s definition of “indigenous peoples”, are a group of GOB’s “ethnic minorities” that may include various other minority groups. In this document, they are being referred to as “Tribal Peoples” in keeping with some of the HPNSDP documents. For operational purposes, the Bank’s definition of indigenous peoples has been strictly adhered to.

- Avoid/minimize and mitigate adverse social impacts, including loss of livelihood that may result from loss of private lands and the use of public lands and common property resources;
- Ensure participation of local communities and stakeholders in the selection of EZ sites, clarifying procedures that the project would establish to address grievances that may result from activities undertaken in the EZs; and
- Ensure compliance with the relevant GOB policies and those of the World Bank on social safeguards and other social issues, including gender integration.

PSDSP AND SOCIAL SAFEGUARD ISSUES

4. The project is proposed to have the following three main components, each of which in turn may consist of multiple subcomponents: (a) *Technical Assistance and Capacity Building*, which is intended to support the institutions responsible for developing the EZs and carry out the reforms required to improve the business environment for local and foreign entrepreneurs; (b) *Public Investment Facility (PIF)*, improving/building physical infrastructures which are not funded by the private sector, but are a prerequisite to attract and support private investments in the EZs; and (c) *Grants for Training, Investment in Sustainable Technology and Firm-level Innovation*.

5. Of these, PIF is the likeliest component to involve issues that are to be addressed in compliance with the Bank's social safeguard policies. As noted above, the project triggers the OP 4.12, but applicability of OP 4.10 would be determined as BEZA continues to select EZ sites in different parts of the country. In addition to developing certain onsite physical facilities, PIF will improve the existing offsite infrastructures and/or build new ones to support economic activities in the EZs. These may include access roads; water supply and sanitation facilities; sewerage systems; power distribution; rail connections and landings; landings for riverine transport; etc. Although the majority of lands for the individual EZ sites are expected to be khas or owned by various government agencies, there will still be a need to acquire private lands. Use of khas / public lands, unless they are completely free of authorized / unauthorized private users, will also involve resettlement issues. Acquisition of private lands in large parcels, especially for the EZ sites, may cause significant impacts on landowners and may render some households completely landless, including loss of their homesteads. Including social safeguard screening, BEZA will undertake all necessary process tasks to assess and mitigate the impacts that may result from individual EZs.

BASIC PLANNING PRINCIPLES

6. The EZs would characteristically require large parcels of lands that may come from khas and other public lands, as well as from private ownerships. Khas and other public lands rarely remain found vacant; most often they are in use by private citizens with or without authorization. As to private lands, acquisition in large parcels (or 'chunks') may render some landowners completely landless -- which may even include homesteads. Considering potentials of such impacts, BEZA will adhere to the following principles:

- Prior to selection of specific EZ sites, will undertake community/stakeholder consultations about the subproject objectives and social impacts, especially those that would result from private land acquisition and displacement from khas and other public lands.

- Unless absolutely required, will do its best to avoid land acquisition from private ownerships and will always try to find khas and other public lands whenever it considers alternative sites in a given district, upazila, union or municipality.
- Will always avoid creating an EZ relying only on private land acquisition, but try to find sites where khas/public lands would account for most of the site and private lands for the least.
- Will try its best not to displace private homesteads (*vitaa-baari*) where acquisition from private ownerships is absolutely unavoidable.
- Will avoid, to the extent feasible, locating an EZ in an area inhabited by tribal peoples that will threaten their traditional and cultural way of life; severely restrict their access to common property resources and livelihood activities; and affect places/objects of cultural and religious significance.
- Will undertake social screening of all EZs, including the lands that would be needed to build support infrastructures, to identify potential social safeguard issues and impacts, and adopt and implement impact mitigation measures consistent with the relevant GOB policies and the World Bank's OP 4.12 and OP 4.10.

SAFEGUARDS SCREENING & MITIGATION GUIDELINES

7. Where social screening (a Social Screening Form is provided in *Annex A1* of RSMF) results indicate potentials of adverse impacts, BEZA's action on an EZ will be consistent with the following sets of guidelines.

- *Guidelines for Land Acquisition & Resettlement* (Section B, Pages 11-24). Contains principles, policies and guidelines for private land acquisition and use of khas and other public lands and adverse impact mitigation; mitigation measures; and implementation and monitoring arrangements for mitigation plans;
 - *Direct Purchase*. Provides guidelines for purchase directly from the landowners, in situations where BEZA urgently needs to use small amounts of private lands that may not have been included in the land acquisition proposals (LAPs) submitted to the Acquiring Body.
- *Guidance Note for Integration of Gender Issues* (Section D, Pages 31-36). Intended to help BEZA and other authorities to take into account social (non-safeguard) and gender issues into subproject selection, preparation and implementation.

RSMF IMPLEMENTATION ARRANGEMENT

8. There are multiple authorities, such as HTPA, BEPZA, BEZA and others which are expected to undertake activities/subprojects under PSDSP – all aiming to develop the Bangladesh private sector. Although the principles and guidelines adopted in this RSMF will apply to the project as a whole, implementation arrangements may vary to some extents from one authority to another, depending on the nature of social issues and scale of impacts, as well as their existing in-house capacity. It is decided that the concerned authorities would consult the Bank about the implementation arrangements as and when they undertake any development activities under PSDSP.

9. In its case, BEZA will form an Environmental and Social Cell (ESC) within the Project Management Unit (PMU) to oversee implementation of the RSMF and Environmental

Management Framework (EMF) for all EZs/subprojects that have been planned under PSDSP. Guided by highly experienced professionals – one each for environment and social -- the ESC, with the required support staff, will ensure that the RSMF and EMF are implemented in their entirety, and coordinate all process tasks that are undertaken to prepare and implement EZ-specific EMPs and RPs/ARPs.

GRIEVANCE REDRESS MECHANISM (GRM)

10. The Land Acquisition Ordinance allows landowners object to acquisitions in the beginning of the legal process. Once the objections are heard and disposed of, there is virtually no provision to address grievances and complaints that individual landowners may bring in the later stages of the acquisition process. As the ordinance does not recognize them, no mechanism is there to hear and redress grievances of people who do not have legal titles to the lands (khas/public), which they may have been using to live in or making a livelihood. As seen in various projects, complaints and grievances may range from disputes over ownership and inheritance of the acquired lands to affected persons and assets missed by the censuses; valuation of the affected assets; compensation payment; and the like.

11. Considering the needs, BEZA will establish a Grievance Redress Mechanism (GRM) to answer to queries and address complaints and grievances about any irregularities in using the guidelines adopted in this RSMF for assessment and mitigation of adverse impacts. Based on consensus, the procedure will help to resolve issues / conflicts amicably and quickly -- saving the aggrieved persons resorting to expensive, time-consuming legal actions. The GRCs will consist of memberships to ensure proper presentation of complaints and grievances, as well as impartial hearings and transparent decisions. Membership composition of the GRCs, where IPs are among the affected persons, will take into account any traditional conflict resolution arrangements that IP communities may have in practice. *A decision agreed at any level of hearing would be binding on BEZA. But a GRC decision will not preempt a complainant's right to seek redress in the courts of law.* (For membership composition of the GRC, monitoring, and other details, see Pages 8-10 of RSMF.)

A. SOCIAL SAFEGUARD ISSUES AND IMPLICATIONS

INTRODUCTION

1. This Resettlement and Social Management Framework (RSMF) is proposed to deal with social safeguard issues and impacts that may arise during implementation of the Private Sector Development Support Project (PSDSP), as well as the social development concerns that the project could address within its scope of works. The project is designed to help the Bangladesh private sector to increase its competitiveness in the global market by diversifying the country's export basket. As suggested by a number of international development agencies², the Government of Bangladesh (GOB) has undertaken the project to improve investment climate of the country through regulatory reforms, establishing Special Economic Zones and building/strengthening the capacity of the concerned authorities. The Bangladesh Economic Zones Authority (BEZA) under the Prime Minister's Office (PMO) is one of such authorities responsible for identifying suitable locations for Economic Zones (EZs) in different parts of the country, and preparing and implementing the 'subprojects' that would be financed under PSDSP. Accordingly, BEZA has proposed this RSMF as an integral part of the EZ development process and would apply all applicable policies and guidelines while selecting individual EZ sites and developing all off-site infrastructures that might be needed to support activities within the EZs. As the Bank proposed, this RSMF will also apply to all potential subprojects under PSDSP regardless of whichever agencies/authorities implementing them.

2. The provisions of this RSMF are proposed in view of the World Bank's project financing policy that requires the borrowers to assess potential social safeguard issues and impacts in project preparation, and adopt and implement appropriate measures to mitigate them, in compliance with the specified policies. In this regard, since the locations and the nature and scale of safeguards impacts under the specific EZs remain to be assessed, the issues and impacts addressed in the RSMF are largely based on past experience with the Bank supported projects implemented by various agencies of the Bangladesh Government. Once the general location (district, upazila, union, etc.) of an EZ is decided, the proposed RSMF will provide the basis to select the exact site, assess the social safeguard issues and impacts, and prepare the necessary plans to mitigate the adverse impacts.

3. The RSMF is divided into four sections. This section (A) introduces the project as a whole with analyses of the potential social safeguard aspects; outlines the principles and guidelines for site selection and design of land-based works and social screening thereof; community and stakeholder consultations; implementation arrangement; grievance redress mechanism; and other aspects that have bearings on social development issues and outcomes.

² The recommendations were made in a roundtable conference on December 14 and 15, 2004 organized by the Bangladesh Enterprise Institute (BEI) and the Foreign Investment Advisory Service (FIAS), and supported by the World Bank, the UK Department for International Development (DfID), the Canadian International Development Agency (CIDA), the European Commission (EC), the International Finance Corporation (IFC) and the Japanese Government.

Section B provides principles and guidelines for private land acquisition and using public lands, including *khas* lands that have been under authorized/unauthorized private uses. Some guidelines are also provided for purchase of private lands directly from the landowners. Considering the possibility of adverse impacts, which could be rare, on tribal peoples, a Framework for Tribal Peoples Plan (FIPP) is also proposed in Section C. Additionally, the RSMF includes a Gender Integration Guidance Note in Section D to address the issues that are often faced by female and low-skilled workers in the industrial sectors, including readymade garments.

THE PROJECT AND ITS SCOPE OF WORK

4. The recommendations of the roundtable conference have been translated into *project development objectives* of the proposed PSDSP, and are aimed at increasing employment opportunities for men and women, by facilitating investments (both FDI and local) in the manufacturing and services sectors of the economy. The project is proposed to have three main components, each of which consists in turn of multiple subcomponents. The three main components are as follows:

- *Technical Assistance (TA) and Capacity Building.* To support the institutions that would be responsible for developing the Economic Zones (EZs) and carry out the reforms required to improve the business environment for local and foreign entrepreneurs;
- *Off-site Infrastructure Development for EZs,* which are not funded by the private sector, but are a prerequisite to attract and support private investments; and
- *Grants for Training, Investment in Sustainable Technology and Firm-level Innovation*

Component 1: Technical Assistance and Capacity Building

5. *Capacity Building for Economic Zone Related Institutions.* This subcomponent will provide TA and capacity building support to some 7 institutions crucial to establishing and operating EZs in Bangladesh³. Capacity building will focus, among other specified tasks, on developing and applying economic and infrastructure criteria in the selection of EZ locations; conducting environmental and social assessments; and developing the necessary background and marketing materials for attracting developers and investors to the EZs.

6. *Creating a Conducive Business Environment within Economic Zones.* This subcomponent will provide TA to develop a “unique value” improvement, by creating a “first class” business-friendly environment that will also act as a pilot for wider business environment reforms. The TA will also support, among other efforts, legal and institutional reviews and capacity building to establish these services from within the zone.

Component 2: Public Investment Facility (PIF)

³ These will include the EZ Authority; BEPZA; the PPP unit in the PMU; Board of Investment (BOI); the Department of Environment (DOE); as well as specialized institutions such as the Hi-Tech Park Authority (HTPA) and the Bangladesh Computer Council (BCC).

7. This component will invest in developing off-site infrastructure (last-mile infrastructure), as well as internal infrastructure of public-good nature, for targeted EZs, that started with the Kaliakoir Hi-Tech Park. These investments may include land preparation and development; access roads; water supply; sewerage systems; power distribution; rail connections and landings; landings for riverine transport; etc. The PIF can also fund some on-site investments, such as internal road networks, water and drainage systems, and supporting private investments in common user facilities, such as effluent treatment plants.

8. Where land acquisition is required, the Requiring Bodies, such as BEZA, will acquire the lands and mitigate the adverse impacts on the landowners and other project affected persons (PAPs) as per the *Acquisition and Requisition of Immovable Property Ordinance, 1982* and, as noted above, the World Bank's social safeguard policies, such as Operational Policy 4.12 on Involuntary Resettlement and, depending on EZ location, the OP 4.10 on Indigenous Peoples. As noted earlier, this RSMF provides the impact mitigation principles, policies, guidelines and procedures to assess the impacts associated with land acquisition and displacement, prepare and implement the impact mitigation plans, and undertake other tasks that are involved in the land acquisition and resettlement process. The RSMF also takes into account the experience gained during implementation of EPZ in Comilla and Hi-Tech Park in Kaliakoir.

Component 3: Business Linkages and Product/Process Improvement

9. This component will support better linkages between firms/industries located in the economic zones and local suppliers/businessmen, by increasing information exchange between the firms, improving supplier product standards, and ensuring compliance with international labor and environmental standards. Local sourcing, social and environmental audits, and new product development process will be among the target areas that the TA would support through training and research institutions working with groups of firms.

Probable Activities under PSDSP

10. The project is expected to support planning and overseeing the process for appointing private master developers and public financing components of EPZs to be developed by BEPZA and other GOB agencies. Wherever private developers are involved, design, construction and commissioning of EPZs will also be supported under PSDSP. The activities that are likely to be supported are as follows:

- (a) Economic Zones (Readymade Garments, Information Technology or others) development by HTPA/BEPZA/BEZA;
- (b) Site and infrastructure development for EZs and similar activities by publicly financed subcomponents, such as rail and road links, and the like;
- (c) Publicly financed common infrastructure in EZ offices, training centers, research centers and similar support facilities;
- (d) Environmental infrastructure, such as power generation; water supply and distribution; sewerage and drainage; industrial and other effluent treatment facilities; domestic/ industrial hazardous waste disposal facilities, etc; and
- (e) Other ancillary facilities for publicly and privately developed EZs.

SOCIAL ISSUES AND IMPLICATIONS

11. The socioeconomic benefits that BEZA expects from development of the EZs have long been known to Bangladesh, since the creation of the Export Processing Zones (EPZs) and development of the readymade garments sector by local entrepreneurs and investments. The EPZs have been able to attract foreign direct investments that have created employment opportunities for a large number of Bangladeshi workers, most notably for women. Most workers in the garments sector are women (estimated to be some 80 percent) who most often come from rural areas and, unlike the women of previous generations, get a chance to work outside the households and earn an income which is not only crucial to their families, but this also adds to their self-respect and social dignity. There is no doubt about the extent to which the activities proposed under the PSDSP would benefit the local workers and economy wherever the EZs are established.

12. Depending on locations, provision of infrastructure for EZs and the economic activities therein may as well encourage new entrepreneurs to set up suitable industrial units outside the EZs. The nearby communities would see an increase in non-local population coming to work in the EZs or to start businesses catering to various demands of the newcomers and live in the vicinities. What would also be expected is an additional demand for local goods and services, including housing. An EZ in a rural setting with the potential developments around it would most likely to have notable urbanizing impacts, all of which may not turn out to be quite positive. The nonlocal workers may bring in customs and habits that were previously unknown to the local people, and some of them could as well be potential sources conflicts and risks. Intrusion of outsiders into the local communities may pose a risk of exposure to various health risks, including sexually transmitted diseases (STDs), HIV/Aids and the like.

13. As to social safeguard compliance, it is likely that the project would involve issues and impacts that are to be addressed during selection of sites for the individual EZs, including those required to improve the existing support infrastructure, or to build new ones, and preparation and implementation of the land-based works. As indicated for Public Investment Facilities under Component 2, lands for the EZs would be made available either from khas lands owned by the Ministry of Land, other public lands owned by different government agencies, and/or by acquisition from private ownerships. While private land acquisition would certainly trigger OP 4.12 on Involuntary Resettlement, use of khas and other public lands – unless they are completely free of authorized/unauthorized private uses – would do the same. If an EZ is located in lands used by indigenous peoples, or affects them in manners contradictory to their tradition and culture, the EZ would also trigger the OP 4.10 on Indigenous Peoples. However, applicability of these social safeguard policies would remain unknown until an EZ site is actually selected and screened to determine the nature and scale of social impacts.

RSMF OBJECTIVES

14. The principles, guidelines, and procedures provided in this RSMF are intended to ensure that all EZ sites under PSDSP, including any lands needed to build support infrastructures, are selected, developed, and the entire range of physical works are designed and implemented in view of the following objectives:

- Enhance positive social development outcomes of PSDSP with the economic activities undertaken in the Economic Zones;

- Avoid/minimize and mitigate adverse social impacts, including loss of livelihood that may result from loss of private lands and the use of public lands and common property resources;
- Ensure participation of local communities and stakeholders in the selection of EZ sites, clarifying procedures that the project would establish to address grievances that may result from activities undertaken in the EZs; and
- Ensure compliance with the relevant GOB policies and those of the World Bank on social safeguards and other social issues, including gender integration.

BASIC PLANNING PRINCIPLES

15. The EZs would characteristically require large parcels of lands that may come from khas and other public lands, as well as from private ownerships. Khas and other public lands rarely remain found vacant; most often they are in use by private citizens with or without authorization. As to private lands, acquisition in large parcels (or ‘chunks’) may render some landowners completely landless -- which may even include homesteads -- unless their ownerships consist of good number scattered plots and some of them remain unaffected by the acquisition⁴. Considering the potentials of such impacts associated with acquisition and displacement of private activities from public lands, BEZA will select the EZ sites, and design and implement all off-site infrastructures required to support the economic activities within the EZs (henceforth, *Subproject* that includes all off-site infrastructures), adhering to the following principles:

- Prior to selection of specific EZ sites, BEZA will undertake community and stakeholder consultations about the objectives and the planned economic activities in the EZ, as well as the social impacts, especially those that would result from private land acquisition and displacement from khas and other public lands. Consultations will include, inter alia,
 - All formal/informal local entities, such as Union Parishads/Upazila Parishads and other local bodies with direct and indirect stakes in the project and are deemed key actors to influence availability of lands for the EZ and design and implementation of the subproject.
 - Individuals, such as private landowners and those, especially the vulnerable who use public lands to live in and/or earn a living with or without authorization, as well as others who would be directly affected by the subproject.
 - Individuals, who would be affected indirectly in terms of loss of livelihood and/or access to common property resources which may have been a substantial support to their livelihood.
- Unless absolutely required, BEZA will do its best to avoid land acquisition from private ownerships and will always try to find khas and other public lands whenever it considers alternative sites in a given district, upazila, union or municipality.

⁴ For example, where the acquisitions are linear for widening an existing or build a new road, the acquisitions are quite unlikely to make a landowner completely landless. He/she may have multiple plots that may not have been affected by the acquisitions.

- BEZA will always avoid creating an EZ relying only on private land acquisition, but try to find sites where khas/public lands would account for most of the site and private lands for the least.
- BEZA would try its best not to displace private homesteads (*vitaa-baari*) where acquisition from private ownerships is absolutely unavoidable.
- BEZA will avoid, to the extent feasible, locating an EZ in an area inhabited by indigenous or tribal peoples that will threaten their traditional and cultural way of life; severely restrict their access to common property resources and livelihood activities; and affect places/objects of cultural and religious significance (places of worship, ancestral burial/cremation grounds, etc.).
- BEZA will undertake social screening (see below) of all EZs, including the lands that would be needed to build support infrastructures, to identify potential social safeguard issues and impacts, and adopt and implement impact mitigation measures consistent with the relevant GOB policies and the World Bank's OP 4.12 and OP 4.10.

SAFEGUARDS SCREENING & MITIGATION GUIDELINES

16. BEZA will screen each EZ site and its surroundings, and all physical works that might be undertaken to provide infrastructure support (e.g., access roads, electricity, water supply, etc.) to identify the associated safeguards issues and impacts, in order to determine applicability of the OP 4.12 and OP 4.10 and the required impact mitigation plans (a Screening Form is provided in *Annex AI*). Where land acquisition from private ownerships and displacement from public lands could not be avoided entirely, BEZA will establish the EZs and build any required land-based infrastructure in accord with the following guidelines:

- *Guidelines for Land Acquisition & Resettlement*. Contains principles, policies and guidelines for private land acquisition and use of khas and other public lands and adverse impact mitigation; mitigation measures; and implementation and monitoring arrangements for mitigation plans (Section B);
 - *Direct Purchase*. Provides guidelines for purchase directly from the landowners, in situations where BEZA urgently needs to use small amounts of private lands that may not have been included in the land acquisition proposals (LAPs) submitted to the Acquiring Body.
- *Guidance Note for Integration of Gender Issues (Section D)*. Intended to help BEZA and other authorities to take into account social (non-safeguard) and gender issues into subproject selection, preparation and implementation.

COMMUNITY PARTICIPATION & CONSULTATIONS

17. As a continuous two-way communication process, this 'feed-forward' the information on the subproject's goals, objectives, scope and social impact implications to the beneficiaries, is aimed to garner their 'feed-back' on these issues (and more) for the policymakers and project designers. In addition to feedbacks on specific issues, such a participatory planning approach is expected to enhance public relations, information dissemination and conflict resolution. Under PSDSP, community/stakeholder consultations will be conducted throughout the project cycle, with varying focus on issues relating to the subproject activities and the people who may have stakes therein. More formal consultations, focus group discussions and

interviews of knowledgeable local persons will start with feasibility study, social (and environmental) screening, PAP census and impact assessment, and preparation and implementation of the impact mitigation plans. Focus of consultations will generally shift from wider audience to specific groups who have direct stakes in the project.

18. Under PSDSP, while general location of an EZ in a district or upazila may depend on various socioeconomic and political considerations, identification of a particular EZ site – be it on khas and/or private lands -- and other support infrastructures like access roads that might be needed outside the EZ would invariably require consultations with the local communities. Yet the issues that would require community participation are likely to vary from one subproject to another and, as a result, so would the scope of consultations and participants. BEZA and the consultant will be adequately diligent to gather all relevant information as and when any unique or unforeseen issues crop up during consultations. Irrespective of such possibilities, community consultations will always include the following as they relate to subproject preparation and implementation:

- The objectives, scope and implications with respect to the PSDSP's -- especially EZ's - - beneficial socioeconomic impacts, as well as the adverse impacts that are likely to be caused on users of khas and other public lands and private landowners;
- Gather community inputs/feedbacks as to how adverse impacts could be minimized; and the rights and responsibilities on the parts of the communities themselves and the agencies involved in preparation and implementation, such as GOB, BEZA, World Bank, the consultant, etc.
- Potential impacts and their sources relating to the location and scope of the civil works required to build infrastructures in order to support the various economic activities within the EZ.
- Inform the community of BEZA's Grievance Redress Mechanism and the Grievance Redress Committee (details below) that would be constituted at the subproject level, its membership composition, and explain its functions and limitations and how an aggrieved person could lodge complaints and grievances.
- BEZA/consultant will always invite female community members and make an effort to have them participate in discussions. Depending on the prevalence and practice of gender differentiation in the subproject locales, BEZA will hold separate consultations with women. The main objective is to explore the possibilities of introducing economic activity in the EZ that would benefit the local women. (Recording and analysis of inputs/feedbacks and other information will always be gender disaggregated.)

19. BEZA/consultant will ensure that community consultations are open to all and conducted in an environment which is non-threatening and where participants from all socioeconomic strata of the subproject locales could speak and express their opinions freely without the fear of any adverse consequences. For the record, BEZA/consultant will prepare a brief stand-alone report with the following information and share it with the Bank:

- Consultation dates and venues, with the number of male and female participants;
- A brief description of the participants' socioeconomic background (at least as much could be understood from a person's demeanor and other noticeable characteristics);

- A list of the issues that were explicitly discussed, indicating the ones that received most attention from the male and female participants and the opinions they may have expressed;
- An account of any particular suggestions the male and female participants may have made for consideration by BEZA, to minimize adverse impacts, as well as to maximize the beneficial ones.
- An annex to the report should contain the names and contact numbers (if available) of all participants, and some photographs of the discussion meetings. It is also a good practice to save the field notes so that they are available for review by any institutional stakeholders.

20. It is to be noted that stakeholder consultations will be carried out throughout the subproject preparation and implementation period and BEZA will consider stakeholder inputs and feedbacks to minimize the adverse impacts at any stage of the project cycle. (Additional guidelines for community/stakeholder consultations relating to involuntary resettlement are provided in Sections B.)

RSMF IMPLEMENTATION ARRANGEMENT

21. There are multiple authorities, such as HTPA, BEPZA, BEZA and others which are expected to undertake activities/subprojects under PSDSP aiming to develop the Bangladesh private sector. Although the principles and guidelines adopted in this RSMF will apply to the project as a whole, implementation arrangements may vary to some extents from one authority to another, depending on the nature of social issues and scale of impacts, as well as their existing in-house capacity. It is decided that the concerned authorities would consult the Bank about the implementation arrangements as and when they undertake any development activities under PSDSP.

22. As to establishing Economic Zones, BEZA will form an Environmental and Social Cell (ESC) within the Project Management Unit (PMU) to oversee implementation of the RSMF and Environmental Management Framework (EMF) for all EZs/subprojects that BEZA has planned to implement under PSDSP. Guided by highly experienced professionals – one each for environment and social -- the ESC, with the required support staff, will ensure that the RSMF and EMF are implemented in their entirety, and coordinate all process tasks that are undertaken to prepare and implement EZ-specific EMPs and RPs/ARPs.

GRIEVANCE REDRESS MECHANISM

23. The Land Acquisition Ordinance allows landowners object to acquisitions in the beginning of the legal process. Once the objections are heard and disposed of, there is virtually no provision to address grievances and complaints that individual landowners may bring in the later stages of the acquisition process. As the ordinance does not recognize them, no mechanism is there to hear and redress grievances of people who do not have legal titles to the lands (khas/public), which they may have been using to live in or making a livelihood. As seen in various projects, complaints and grievances may range from disputes over ownership and inheritance of the acquired lands to affected persons and assets missed by the censuses; valuation of the affected assets; compensation payment; and the like. Considering the need, BEZA will establish a Grievance Redress Mechanism (GRM) to answer to queries and address complaints and grievances about any irregularities in using the guidelines adopted in this

RSMF for assessment and mitigation of adverse impacts. Based on consensus, the procedure will help to resolve issues/conflicts amicably and quickly, saving the aggrieved persons resorting to expensive, time-consuming legal actions. *The mechanism will however not preempt an aggrieved person's right to go to the courts of law.*

24. BEZA will form one Grievance Redress Committee (GRC) for each subproject depending on the administrative and local government jurisdiction (Districts, Upazila Parishads, Municipalities, and Union Parishads), as well as ease in accessibility by the project affected persons (PAPs). The GRCs will consist of memberships (below) to ensure proper presentation of complaints and grievances, as well as impartial hearings and transparent decisions. Membership composition of the GRCs, where IPs are among the affected persons, will take into account any traditional conflict resolution arrangements that IP communities may have in practice. *If the aggrieved person is a female, BEZA will ask a female UP Member or Municipal Ward Commissioner to participate in the hearings.*

GRC Membership

- A BEZA Representative (Convenor)
- An Elected Member of the Union Parishad or Upazila Parishad
- A Female Member of the Union or Upazila Parishad
- A Representative of the PAPs in the EZ/subproject
- Headmaster of local Higher Secondary School
- Resettlement Specialist of the Supervision Consultant (Member Secretary)
- An Area Representative of an NGO working in the area

25. During consultations in the subproject areas significantly inhabited by IPs (Chittagong Hill Tracts and elsewhere), BEZA, assisted by the consultant, will identify any existing traditional conflict resolution mechanisms used by the IP communities. If they exist, and the IPs intend, the GRCs will include at least one person from such 'traditional conflict resolution bodies' replacing one (who is unlikely to be knowledgeable of IP issues and concerns) from the memberships suggested above.

26. If a resolution attempt at the local level fails, the GRC will refer the complaint with the minutes of the hearings to the Project Director (PD) for further review. With active assistance of the social safeguard professional of ESC, the PD will make a decision and communicate it to the concerned GRC. If a decision at this level is again found unacceptable by the aggrieved person(s), BEZA can refer the case to the higher authority with the minutes of the hearings at local and BEZA levels. *A decision agreed with the aggrieved person(s) at any level of hearing will be binding on BEZA.*

27. The persons overseeing RSMF implementation at the local levels will review and sort the cases in terms of nature of grievances and urgency of resolution, and schedule hearings in consultation with the GRC convenor. All cases at the local level will be heard within four weeks of their receipt; but those related to matters like compensation for poor and vulnerable PAPs will be heard in two weeks or earlier. PD's decisions on unresolved cases will be communicated to the GRC in one week of their receipt. Decisions, if any, on unresolved cases at the levels above BEZA will be made in no more than four weeks.

28. To ensure that grievance redress decisions are made in formal hearings and in a transparent manner, the convenor will use the following guidelines:

- Reject a grievance redress application with any recommendations written on it by a GRC member or others, such as politicians and other influential persons;
- Remove a recommendation by any person that may have been written separately and submitted with the grievance redress application;
- Disqualify a GRC member who has made a recommendation on the application or separately before the formal hearing;
- Where a GRC member is removed, appoint another person in consultation with the Project Director, and keep the World Bank informed about the change and the reason to do so; and
- The convenor will also ensure strict adherence to the impact mitigation policies and guidelines adopted in this RSMF and the mitigation standards, such as compensation rates, established through market price surveys.

29. To ensure impartiality and transparency, hearings on complaints will remain open to the public. The GRCs will record the details of the complaints, the reasons that led to acceptance or rejection of the particular cases, and the decision agreed with the complainants. BEZA will keep records of all resolved and unresolved complaints and grievances and make them available for review as and when asked for by the World Bank and other interested persons/entities.

PUBLIC DISCLOSURE OF RSMF

30. BEZA will disclose Bangla translation of this RSMF to the public in Bangladesh by posting it in its website, and authorize the World Bank to disclose it at its Country Office Information Center and in its Infoshop. BEZA will also ensure that copies of the translated document are made available at its headquarters and site offices established for the individual subprojects, public libraries and local government offices in the project districts, and other places accessible to the general public. As to disclosure, BEZA will inform the public through notification in two national newspapers (Bangla and English) about the RSMF and where it could be accessed for review and comments.

B. GUIDELINES FOR PRIVATE LAND ACQUISITION, USE OF PUBLIC LANDS AND RESETTLEMENT

LAND REQUIREMENTS AND RESETTLEMENT ISSUES

1. One of the most important activities under PSDSP is identifying locations and making the required lands available for the Economic Zones. Although the land area for the individual EZs will vary in terms of location, land availability and the preferred economic activities, the required amounts are expected to be very large and have to be in one parcel for each EZ. Off-site lands may also be needed to develop support infrastructures like new access roads, or improving/widening the existing ones to connect the EZs with the major highways; sewerage systems; power distribution; water supply; and the like. In any case, BEZA has planned to obtain the lands from the khas under the Ministry of Land; unused lands belonging to various GOB agencies; and by acquisition from private ownerships. It is also possible that in rare situations, especially where the required private lands are very small in amounts and are to be urgently made available for civil works, BEZA may as well go for direct purchase from the landowners. Barring those with direct purchase, the potential resettlement issues are expected to be associated with,

- Displacement of persons/households who may have been using, without authorization, the khas and other public lands to live in and/or earn a living (non-titled persons);
- Resumption of leased-out khas and other public lands from private citizens, which may have been in use for residential, commercial or other purposes; and
- Acquisition of private lands which may cause displacement from whatever economic activities presently are there, including loss of homesteads. Given that the EZs would use lands in large parcels, it is also possible that some households may become completely landless, if they have all their lands in the selected sites.

2. Considering the potential impacts, BEZA proposes to obtain khas/public lands, which may have been under authorized and unauthorized private uses, and private lands by using the following means:

Khas and Other Public Lands

- *Under Authorized Use*: If the required lands are presently under lease from the Deputy Commissioner (in cases of khas) or any other GOB agencies, BEZA may seek to use them by fulfilling the lease stipulations.
- *Under Unauthorized Use*: BEZA will take them back by mitigating the associated adverse impacts consistent with the World Bank's OP 4.12 and OP 4.10.

Private Lands

- Wherever found absolutely necessary, BEZA will use the present *Acquisition and Requisition of Immovable Property Ordinance 1982* and any other applicable legislations, and mitigate the associated adverse impacts in compliance with the Bank's OP 4.12 on Involuntary Resettlement and OP 4.10 on Indigenous Peoples.
- Direct purchases from private landowners in compliance with the Bank's specified guidelines.

DIRECT PURCHASE FROM LANDOWNERS

3. Simplest of the means to obtain private lands is direct purchase from the landowners and resolve the resettlement issues, if any, in the transaction process. However, given the possibility that the private landowners would be quite large in number and not all would be willing to sell, the remaining means is to use the state's power of eminent domain and acquire the lands according to the established legal framework. While all private lands will be acquired, there might be occasions, however rare, when BEZA may need to urgently use small amounts of private lands that may not have been included in the LAPs submitted to the Acquiring Body and the legal acquisition process is already well underway or completed. In situations like this and considering the lengthy acquisition process, BEZA may decide to purchase the lands directly from the owners in accord with the following guidelines:

- All direct purchases must be on a 'willing buyer-seller' basis. That is, the landowners cannot be forced or intimidated directly or indirectly to sell and at prices that are lower than the current market rates for similar lands.
- Prices for lands and other assets created or grown on them are to be negotiated and paid transparently in the presence of community leaders and organizations, NGOs, and others who are respected by the local people for their fairness and integrity. BEZA will always try to avoid dealing with middle-men (dalal) and remain fair and transparent by having the communities and individuals, as suggested, participate in the transaction process.
- Documentations consisting of minutes of price negotiations indicating location, amount, and any assets built or grown (structures, trees, etc.); names, addresses and telephone numbers of persons participated in the negotiations; and the purchase records are required to be submitted to the Bank for its review and clearance.

LAND ACQUISITION & IMPACT MITIGATION OBJECTIVES

4. The principles and guidelines proposed in this RSMF are to avoid or minimize adverse impacts on private landowners and khas/public land users; mitigate the adverse impacts that are unavoidable; and assist the project affected persons (PAPs) to improve, or at least to restore, their living standards and income earning and production capacity to the pre-acquisition levels. To achieve these objectives, BEZA will consistently adhere to the following guidelines:

- Avoid or minimize private land acquisition;
- Avoid or minimize displacement from private homesteads;
- Avoid or minimize displacement of persons and households who may have been using khas/public lands for residential, commercial and other purposes; and
- Mitigate the adverse impacts associated with private land acquisition; displacement from khas/public lands; use of common property resources; and temporary displacement/closure of businesses and livelihood activities during implementation of the civil works.

RSMF & IMPACT MITIGATION PLANS

5. *The principles, policies and guidelines as proposed in this RSMF will apply, irrespective of PSDSP components, to all EZs and similar subprojects, and their off-site support infrastructures that will involve private land acquisition and use of khas/public*

lands that may have been under authorized/unauthorized uses by private citizens for residential, agricultural, commercial or other purposes.

6. As provided in OP 4.12, BEZA will prepare and implement one of the following instruments in order to mitigate the adverse impacts as and when caused by the EZ development activities, including the off-site support infrastructures:

- Resettlement Plan (RP). Where land acquisition from private ownerships and resumption of khas/public lands for an EZ and its support infrastructures affect 200 or more persons; or
- Abbreviated Resettlement Plan (ARP). Where all activities for an EZ affect fewer than 200 persons, documenting the affected persons and valuation of affected assets, impact mitigation measures and budget, and an ARP implementation schedule.

The number of project affected persons (PAPs) consists of all affected persons and their household members, irrespective of their tenure status to the lands they use for any purposes.

LAND ACQUISITION & IMPACT MITIGATION PRINCIPLES

7. In the absence of a national policy for resettlement, social safeguard issues associated with land acquisition and displacement are presently addressed by using the *Bangladesh Acquisition and Requisition of Immovable Property Ordinance 1982*, together with the Bank's OP 4.12 on Involuntary Resettlement⁵. The ordinance is used to legalize acquisition in the country's land administration system, and the OP 4.12 provides the basis to define resettlement policy objectives, and adopt and implement impact mitigation measures. In keeping with the OP 4.12, BEZA will apply the following principles and guidelines to acquire private lands and resume khas and other public lands from private uses, and adopt appropriate measures to mitigate the adverse impacts.

Land Acquisition/Use Principles

8. BEZA will select the EZ sites and location of support facilities with a strong emphasis on avoiding or minimizing adverse impacts on private landowners and those who have been using khas and other public lands -- with and without formal authorization. In this regard, BEZA will unfailingly adhere to the following principles (*also refer to paragraph 15 on Basic Planning Principles in Section A*):

- Try its best to avoid acquisition of private lands and keep the EZs limited to the amount of khas/public lands available at the selected locations;
- Use as much khas and other public lands as possible, while building off-site infrastructures to support the economic activities inside the EZ;
- Avoid or minimize:

⁵ Provisions of the acquisition ordinance do not fully satisfy the requirements of the OP 4.12. Most important of the inadequacies are: the compensation determined in accord with the ordinance most often falls short of the replacement value of the affected lands; no provisions are there to ensure payment and receipt of compensation before the lands are used for works; complete indifference to the post-acquisition short- and long-term socioeconomic changes that the affected households may face; and no provisions for compensation and assistance for PAPs who do not have legal titles to the acquired lands.

- Displacement from homesteads,
 - Loss of lands valued higher in terms of productivity and uses,
 - Loss of buildings/structures that are used for permanent business/commercial activities.
 - Dislocation of non-titled persons and encroachers; and
 - Impacts on community facilities, such educational institutions, places of worship, cemeteries, etc., and buildings/structures that are known to be socially and historically important.
- *Option to offer residual plots to acquisition:* Where portion of a plot remaining after acquisition becomes economically unviable, the landowner will have the option to offer the entire plot to acquisition.

9. *Avoid or minimize adverse impacts on Tribal Peoples.* Where adverse impacts are found unavoidable, BEZA will adopt appropriate mitigation measures as per the Bank's *OP 4.10 on Indigenous Peoples* (Section C provides a planning framework).

10. *Avoid impacts on Physical Cultural Resources.* BEZA will not select EZ sites that are known to have structures/objects of historical or cultural significance, and design and implement all off-site support infrastructures in compliance with the World Bank's *OP 4.11 on Physical Cultural Resources*.

Impact Mitigation Principles

11. Where adverse impacts are found unavoidable, BEZA will plan to mitigate them in accord with the following the principles:

- Resettlement of the project affected persons will be planned and carried out as an integral part of developing the EZs and their off-site support infrastructures.
- Absence of legal titles in cases of khas and other public land users will not be considered a bar to resettlement assistance, especially for the socioeconomically vulnerable groups.
- Vulnerability, in terms of socioeconomic characteristics of the affected persons/households will be identified and mitigated according to the provisions adopted in this RSMF.
- Homestead losers, including the poor and vulnerable households squatting on khas and other public lands, will be assisted with physical relocation and provision of basic facilities like water supply, sanitation, etc.
- In order to preserve their social support networks, private homestead losers who have been living in groups will be relocated, to the extent possible, together in the designated sites.
- Assets like equipment, machineries or parts/components thereof that can be dismantled and moved away intact will not be eligible for compensation, but the owners will be paid the actual costs for dismantling and moving them to the new locations.
- No compensation will be paid for facing temporary inconveniences by business operators and traders, unless they are required to completely stop their operations during the construction period, or if it leads to loss of income or livelihood during that period.

- Where EZs and their off-site support infrastructures cause community-wide impacts, affecting community facilities, access to common property resources, etc., BEZA will rebuild them and/or provide alternatives in consultation with the user communities.

ELIGIBILITY FOR COMPENSATION & ASSISTANCE

12. Regardless of their tenure status to the lands used for an EZ and its off-site support infrastructures, the affected persons/households will be eligible for compensation and assistance. Pending further investigations on any other impacts and impacted persons for individual EZs and off-site works, BEZA will mitigate impacts on the following:

- Private Landowners. Persons who have legal rights to the acquired lands and other assets, such as houses/structures, trees, etc, built and grown on them.
- All Non-titled Persons. Socioeconomically vulnerable persons/households who do not have legal rights to the affected lands, but use them for residential, commercial and livelihood purposes.
- Owners of Displaced Businesses. Compensation for income loss from businesses that are (a) displaced from private lands and khas/public lands; and (b) required to temporarily close down during construction period. In both cases, compensation / assistance will apply to the actual owners of the affected businesses.
- Employees of Affected Businesses -- who are employed in the above two types of affected businesses for at least six months up to the cut-off dates on which censuses are taken. *(If such an employee quits before the business is required to move or stop operation, he/she will no more be eligible for compensation/assistance.)*
- Rental Income Earners, from built premises situated on private lands. *(Those who earn rental income by erecting buildings/structures on khas and other public lands will not be eligible for compensation/assistance.)*
- Vested and Non-resident Property Owners/Users. Current users of the acquired lands and other properties designated ‘vested and non-resident properties’ during acquisition for the individual EZs.
- Leaseholders. Owners of affected business, agricultural, fisheries and other activities on formally leased-in khas or other public lands, where leases stipulate compensatory conditions if the lands are taken back or acquired before lease expiration.
- Community and Groups. Where local communities and groups are likely to lose income earning opportunities or access to crucial common property resources used for livelihood purposes.

COMPENSATION PRINCIPLES & STANDARDS

BEZA will use the following principles and standards to determine compensation and assistance for persons / households in different loss/impact categories.

13. Acquired Lands and Other Assets

- Replacement costs for an equal amount of land of same use and quality, including the registration costs and stamp duties.

- Replacement costs of houses/structures and other immovable built items (e.g., sanitation, drainage, etc.) at the current market prices of same building materials, plus the current costs of labor to build them.
- Current market prices of trees and other assets which are irreplaceable.
- If the acquired lands are agricultural and amount to 20% or more of the total productive area, a transition allowance at three times the value of the crops produced in one year in the acquired portion of land.

Methods to determine the replacement costs of lands, houses/structures and other replaceable assets, and market prices of trees, crops and other irreplaceable affected assets are suggested in Annex B1.

14. Homestead Loss

- Relocation assistance for households displaced from private homesteads either in lands they can personally arrange to buy, or in those arranged by BEZA.
- Relocation assistance for socioeconomically vulnerable households displaced from the khas and other public lands, in public lands arranged by BEZA.
- Provision of pre-acquisition level basic utilities, such as water supply, sanitation, electricity, etc.

15. Loss of Business, Employment and Rental Income

Temporarily Closed Businesses:

Where business activities come to a complete closure during construction, the owners will be paid for income loss at rates based on average daily net income for a period needed to re-open the individual businesses, or for the duration of the civil works.

Partially Affected Businesses:

Where business premises are partially dismantled and the remainders are structurally safe and useable, compensation, calculated as above, for smaller of the number of days needed to repair and reopen the individual businesses, or complete the civil works.

Businesses Completely Displaced from Private Premises:

- Relocation in public lands, *plus* compensation, calculated as above, for a period of 30 days; or
- Compensation, calculated as above, for the number of days the business owners need to find alternative locations themselves, for a maximum of 90 days.

Loss of Employment Income from Displaced & Temporarily Closed Businesses:

Persons who have been continuously employed by the displaced and temporarily closed businesses for at least six months up to the day of PAP census (*cut-off date*), will be compensated for the period until their employers restart their operations, or for a maximum of 30 days. The daily rates will be based on their monthly salary paid by the employers.

Loss of Income from Rented-out Private Premises:

Six months' rent at the current rates for loss of rental income from premises affected on private lands.

16. Vested and Non-Resident Properties

Lands and other properties that have not been declared 'vested and non-resident' (previously 'enemy properties' under the *Enemy Properties Act of 1965*)⁶ through 1984, and are found to be 'vested and non-resident' during acquisition for any EZ and its off-site support infrastructures under PSDSP, the following guidelines will apply:

- *Agricultural lands*: Present users/owners will qualify for compensation two times the value of all crops grown on the acquired portion in a year.
- *Acquired business premises*: For *temporarily closed* and *partially affected* businesses, the same measures as proposed for such impacts in the preceding paragraph will apply.
 - For premises that are to be dismantled completely: Relocation in public land in the same general area, *plus* compensation based on daily net income for a period needed to reopen the individual businesses, for a maximum of 30 days, *or*
 - Compensation, calculated as above, for the number of days the business owners need to find alternative locations themselves, for a maximum of 90 days
- *Loss of Income from Rented-out Premises*: Three months' rent at the current rates for loss of rental income from premises affected on VNR lands.
- *Acquired homesteads* (including houses/structures): BEZA will make alternative arrangements in consultation with the present users/owners.

Where acquisitions partially affect lands and other properties, the present owners/users will be allowed to use the remainders.

17. Unforeseen Impacts

BEZA will adopt and implement policies, in consultation with the affected persons/stakeholders and the Bank, to mitigate any adverse impacts that are unique to a particular EZ and may have so far remained unknown, and not covered in this RSMF.

COMPENSATION PAYMENT

18. In cases of acquisition, a part of the compensation for lands and other affected assets built or grown thereon will be assessed and paid to the title holding PAPs by the Deputy

⁶ These properties have been left behind by the people of minority communities who migrated to India and other countries since the independence and partition of India in 1947. An investigation through 1984 designated some of such properties as 'vested and nonresident (VNR)'. There still remains an unknown amount of such properties, which are used by people claiming to be legal heirs of the original owners. If the legal documents possessed by the present users are found unsatisfactory during acquisition for PSDSP, DCs would declare them VNR and disqualify them for the compensation-under-the-law. The law is known to be controversial and has been widely abused by the influential people. BEZA will however implement the proposed mitigation measures on the ground that without the EZs the current users would still be using these properties.

Commissioners (DCs), the heads of the Acquiring Bodies. If this payment, ‘compensation-under-law’ (CUL), is found smaller than their replacement costs and/or market prices, BEZA will directly pay the difference or ‘top-up’ to make up for the shortfall.

19. With or without acquisition compensations/assistance due to all other PAPs, such as non-titled persons, business owners and employees and those, who are not covered by the acquisition ordinance, but eligible according to this RSMF, will also be directly paid by BEZA.

20. *Top-up Determination and Payment:* Where an owner loses lands and other assets in more than one *mouza* or land administration unit, the person will be counted once, and his/her top-up will be paid together. The amount of top-up due to the affected person will be determined by comparing the *total amount of CUL* paid by the DCs for lands and other assets acquired in all mouzas with the *total replacement costs and/or market prices thereof*.

21. *Compensation/entitlement due to the PAPs, including those who are not covered by the acquisition ordinance, but eligible according to this RSMF, will be paid in full before they are evicted from the acquired private and khas/other public lands.*

22. Based on the principles proposed for impact mitigation, the following matrix defines the specific entitlements for different types of losses, entitled persons, and the institutional responsibility to implement them. Further explanations and application guidelines are given in *Annex B2*.

ENTITLEMENT MATRIX

1. LOSS OF LANDS (AGRICULTURAL, HOMESTEAD, COMMERCIAL & OTHERS)

Ownership Type	Entitled Person	Entitlement	Responsibility
<i>Private</i>	<i>Legal Owners, as determined by DCs, or by courts in cases of legal disputes</i>	<p>Compensation-under-law (CUL) or replacement costs, whichever is greater.</p> <p><i>If applicable (subject to paragraph 18)</i></p> <ul style="list-style-type: none"> • Top-up equal to the difference between CUL and replacement costs. • Transition allowance (TA) for income loss (see Loss Category 5 below). 	<p>CUL paid by DC</p> <p>Top-up & TA paid by Project</p>
<i>Khas & Other Public Lands Under Lease.</i>	<i>Leaseholders</i>	<ul style="list-style-type: none"> • Contractual obligations with the public agencies, as determined by DCs, and / or • Contractual obligations with other GOB agencies. 	Paid by DC and/or Project
<i>Vested Non-Resident</i>	<i>Current Owners/Users</i>	Transition allowance for income loss (see Loss Category 5).	Paid by Project

2. LOSS OF HOMESTEAD LANDS

Location	Entitled Person	Entitlement	Responsibility
<i>Homesteads on Private Lands</i>	<i>Legal Owners, as determined by DC, or by courts in cases of legal disputes</i>	<p><i>In addition to CUL & applicable top-up (as for Loss of Lands above):</i></p> <ul style="list-style-type: none"> • Assistance to move and rebuild the houses in the same homesteads, in cases of partial acquisitions • Relocation assistance, including land development, where PAPs choose to relocate on their own, <u>or</u> developed plots if they choose to relocate in public lands to be arranged by BEZA, where acquisitions require relocation elsewhere. • Provision of pre-acquisition level basic utilities (water supply, sanitation, electricity, etc.). 	By Project
<i>Homesteads on Khas & Other Public Lands</i>	<i>Vulnerable Non-titled persons</i>	<ul style="list-style-type: none"> • Relocation assistance, including developed plots in their own or other public lands, to be arranged by BEZA. • Provision of water supply & sanitation facilities. 	By Project
<i>Homesteads on VNR Lands</i>	<i>Present Owners/Users</i>	<ul style="list-style-type: none"> • Assistance to move and rebuild the houses in the same homestead, in cases of partial acquisitions. • Assistance to settle in developed plots in public lands arranged by BEZA, <u>or</u> six months' rent for comparable living accommodations, where acquisition requires relocation elsewhere. • Provision of water supply and sanitation facilities. 	By Project

3. LOSS OF HOUSES/STRUCTURES USED FOR LIVING, BUSINESS & OTHER ACTIVITIES

Type & Location	Entitled Person	Entitlement	Responsibility
<i>All Houses/ Structures on Acquired Private Lands</i>	<i>Legal owners, as determined by DCs, or by courts in cases of legal disputes.</i>	Compensation-under-law (CUL) or replacement cost, whichever is greater.	CUL paid by DC
		<ul style="list-style-type: none"> • Transfer Grant (TG) to cover the carrying costs of household goods, at one-eighth of the replacement costs of the affected structures. • Allowed to keep the salvageable materials 	TG paid by Project
<i>Shiftable & Non-shiftable Structures on Khas & Other Public Lands</i>	<i>Vulnerable Non-titled persons</i>	<ul style="list-style-type: none"> • <i>Shiftable structures:</i> House Transfer Grant (HTG) and House Construction Grant (HCG), @ Tk 50 per sft of floor area, with a minimum of Tk 3500 and maximum of Tk 5000. • <i>Non-shiftable structures:</i> HCG @ Tk 70 per sft of floor area with a minimum of Tk 4000 and maximum of Tk 6000. • Allowed to keep the salvageable materials. 	HTG & HCG paid by Project
<i>Houses/ Structures on VNR Lands</i>	<i>Current Owners/Users</i>	HTG and HCG (amounts are to be determined in consultation with the current owners/users). <ul style="list-style-type: none"> • Allowed to keep the salvageable materials. 	HTG & HCG paid by Project

3. LOSS OF TREES ON ACQUIRED PRIVATE & PUBLIC LANDS

Location	Entitled Person	Entitlement	Responsibility
<i>On private Lands</i>	<i>Legal owners as determined by DCs, or by courts in cases of legal disputes</i>	<ul style="list-style-type: none"> • Current market value of trees, based on species, size and maturity. • Current harvest prices of fruits on trees, if they are felled before harvest. • Owners are allowed to fell the trees and keep them. 	By BEZA (included in the CUL) and/or By Project (included in the top-up)
<i>On Khas & Other Public Lands</i>	<ul style="list-style-type: none"> • <i>Non-titled persons, encroachers</i> • <i>Private groups, NGOs, etc.*</i> 	As those stipulated above for trees and fruits on trees, on private lands.	By Project
<i>On VNR Lands</i>	<i>Present Owner/User</i>	As those stipulated above for trees and fruits on trees, on private lands..	By Project

* Public lands, especially along the roads, are sometimes leased out to private groups and NGOs for tree plantation under income generation programs.

5. LOSS OF AGRICULTURAL, BUSINESS, EMPLOYMENT & RENTAL INCOME

Impact Type	Entitled Person	Entitlement	Responsibility
Agricultural Income: <ul style="list-style-type: none"> If acquisition amounts to 20% or more of the total productive area If acquired VNR lands are agricultural 	Legal Owners, as determined by DCs, or by courts in cases of legal disputes.	Transition allowance equal to three times the harvest prices of one year's crops produced in the acquired parts of the lands.	By Project
	Present Owners/Users	Transition allowance equal to three times the harvest prices of one year's crops produced in the acquired parts of the lands.	By Project
Business Income: <ul style="list-style-type: none"> Temporary closure of businesses in existing premises Partially affected businesses Businesses requiring removal from the existing premises and spots 	Business Owners (premise / land owners & tenants)	Compensation, based on 30 days' average daily net income, for the actual number of days the businesses remain closed <u>or</u> complete the civil works.	By Project
	Business Owners (premise/land owners & tenants)	Compensation, calculated as above, for <u>smaller</u> of the number of days needed to repair and reopen the individual business premises, <u>or</u> complete the civil works.	By Project
	Business Owners (premise/land owners & tenants)	<ul style="list-style-type: none"> Relocation in khas/public lands, <i>plus</i> compensation, calculated as above, for a period of 30 days; <u>or</u> Compensation, calculated as above, for the number of days the business owners need to find alternative locations themselves, but for a maximum period of 90 days. 	By Project
Loss of employment income	Business Employees	Compensation at current daily wage rates for the period needed to reopen the businesses, or for a maximum of 30 days.	By Project
Loss of income from rented-out premises on private & VNR lands	Legal Owners and Current Owners/Users of VNR lands	<ul style="list-style-type: none"> Six months' rent at the current rates to the owners of the premises on <u>private lands</u>. Three months' rent at the current rates to the owners/users of premises on <u>VNR lands</u>. 	By Project

6. UNFORESEEN LOSSES

Impact Type	Entitled Person	Entitlement	Responsibility
As may be identified during subproject preparation & implementation	As Identified	As determined in consultation with World Bank and the stakeholders.	By Project

PREPARATION OF IMPACT MITIGATION INSTRUMENTS

23. Availability of khas and other public lands for EZ itself and any required off-site support infrastructures will basically determine the location of an EZ. Once a decision is finalized about the EZ site and land requirements for off-site infrastructures -- in view of the basic principles and guidelines stipulated to minimize adverse impacts -- the major preparation tasks will consist of,

- ***Preparing the land acquisition proposals (LAPs).*** Where lands from private and public ownerships are to be acquired, LAPs will be prepared as per the standard requirements of the Acquiring Body.
- ***Taking the PAP censuses and fixing the cut-off dates.*** To prepare RPs and ARPs, censuses will assess details of the impacts and impacted persons/households with respect, but not limited, to the impact categories and compensation/assistance eligibility criteria proposed in this RSMF. The dates on which censuses are taken will constitute the cut-off dates for non-titled persons, and the dates on which the acquisition notice under Section 3 of the acquisition ordinance (Notice-3) is served will be the cut-off dates for private landowners. (Private landowners are not allowed to alter appearance of the lands by erecting new structures or otherwise, after the Notice-3 is served.)
- ***Identifying and developing the relocation sites for homestead losers.*** The relocation sites will be selected well in advance and will be as close as possible to the EZs, wherein they currently live and know all about the income and livelihood sources around them.
- ***Conducting the market price surveys.*** To determine the replacement costs of lands, houses/structures and other replaceable, and market prices of irreplaceable affected assets, which are all required to prepare the land acquisition and resettlement budget (Survey methods suggested in *Annex B1*).

CONTENTS OF RP & ARP

24. The RPs or ARPs will be prepared in view of the number of persons affected by resumption of khas and other public lands from private uses, and acquisition from private ownerships. With the principles and guidelines proposed in this RSMF, the mitigation plans will include the following:

Resettlement Plan (RP)

- Description of the general location and the details of the khas and other public lands, as well as any private lands that will be used for the proposed EZ and for the land-based support infrastructures. The description will include details of whatever movable and immovable objects and activities existing on the ground;
- Details of the adverse impacts as gathered by censuses of the affected persons/households and the affected assets. (PAP/household level data will be computerized to prepare the entitlement files.);
- An account of the alternatives considered to avoid and/or minimize the adverse impacts;
- An account of the consultations with the would-be affected persons/households about the mitigation measures and implementation procedure;

- An institutional mechanism including GRM, disclosure, M&E, etc.
- An account of the entitlements and entitled persons/households for different types of losses as per the principles and guidelines adopted in this RSMF;
- An account of the households made vulnerable by displacing them from khas/public lands, and/or by acquisition of lands they owned, and the kinds of special assistance that would be provided;
- A resettlement budget with breakdowns by impact/loss categories and the number of persons entitled to compensation / assistance; and
- A RP implementation schedule, coordinated with the civil works schedule.

Abbreviated Resettlement Plan (ARP)

- Documentation of the private and khas/public lands required for the EZ and the related works, affected persons, and valuation of the affected assets;
- Description of compensation and other resettlement assistance that will be provided according to the principles and guidelines adopted in this RSMF;
- An account of consultations with the displaced persons/households for agreement on mitigation measures;
- An institutional mechanism including GRM, disclosure, M&E, etc.
- A resettlement budget with breakdowns by loss categories and the number of persons entitled to compensation/assistance; and
- An ARP implementation schedule, coordinated with the civil works schedule.

COMMUNITY/STAKEHOLDER CONSULTATIONS

25. With varying intensity and coverage of issues, community/stakeholder consultations are conducted throughout the project cycle. Formal consultations and interviews of knowledgeable local persons generally start during feasibility study, social screening, PAP census and impact assessment, and preparation and implementation of the impact mitigation plans. Focus of consultations shifts from wider audience to specific groups who have direct stakes in the project. As to preparation and implementation of the RP and ARP, consultations will often concentrate on persons/households who have been affected because of land acquisition, as well as others displaced from khas/public lands.

26. Once the would-be PAPs are identified, BEZA will,

- Consult and provide information to the PAPs on specifics of the mitigation measures and the processes that will be followed to implement them;
- Inform the affected landowners of the legal documents required to claim compensation from the Acquiring Body, and explain the procedure where the landowners may need to have them processed anew (BEZA will actively assist the landowners procure any documents required for CUL payment); and
- Explain the functions and limitations of the Grievance Redress Mechanism, and how an aggrieved PAP could lodge their complaints and grievances with the Grievance Redress Committees.

27. Stakeholder consultations will be carried out throughout the RP/ARP preparation and implementation period and BEZA will consider stakeholder inputs and feedback to minimize the project's adverse impacts at any stage of the project cycle.

DOCUMENTATIONS

28. While RPs/ARPs will include summary of the impacts and impacted persons/households, BEZA, assisted by the project consultant, will ensure availability of the following and any other documentations as and when requested by the World Bank:

- Minutes of the stakeholder consultations on selection of EZ sites and support infrastructures, social safeguard implications of displacement from khas and other public lands, private land acquisition, mitigation measures adopted in the RSMF, etc.
- Inventory of different categories of PAPs based on the census of affected persons/households and their assets.
- Replacement costs and current market prices of different types of affected assets, as determined through market prices surveys.
- Evidence of CUL payment by the Acquiring Body, and top-up and any other entitlements paid by BEZA itself.
- Records of complaints and grievances, and the decisions (both positive and negative) given by Grievance Redress Committees, BEZA, or by the line ministry.

MONITORING & REPORTING

29. Monitoring will consist of an array of steps relating to social screening; transfer and acquisition, respectively of khas/public and private lands; and preparation and implementation of impact mitigation plans, like RP and ARP. (The major tasks that are to be monitored are provided in *Annex B3*.) The project consultant will assist BEZA to set up and operate a computerized system to monitor and report progress and performance with regard to the tasks involved in the land transfer and acquisition process.

30. BEZA will provide the Bank with the following information for its review of performance and compliance with the OP 4.12 under the individual EZs, including the off-site works that might be undertaken to build the support infrastructures:

- Bi-Monthly updates indicating progress in land transfer and acquisition and CUL payment for the acquired private lands by DCs, and any issues that are to be addressed to facilitate transfer and acquisition process;
- Bi-Monthly updates on BEZA's part of the payment: (a) top-up and other applicable entitlements to the CUL recipients; (b) compensation/entitlements to the affected non-titled persons; and (c) compensation/entitlements to any other persons/groups not covered in this RSMF, but found later to be affected by the works undertaken for the EZ.
- Bi-monthly updates on Entitlement Matrix and activities related to Grievance Redress Mechanism.

- Detailed report for World Bank supervision missions covering all EZs, which will include, among other information, the latest status of khas transfer, land acquisition and compensation payment by DCs and BEZA; implementation of any other stipulations adopted in the RP; an account of the GRC activities; and any issues that are to be addressed to improve performance of the resettlement program.

31. BEZA will conduct an independent review to assess how the khas identification and transfer process has worked and how efficiently land acquisition has been carried out, impact mitigation plan like RPs or ARPs have been prepared and implemented; and efficacy of the mitigation policies and measures adopted in this RSMF.

LAND ACQUISITION & RESETTLEMENT BUDGET

32. Since the land acquisition needs and the associated impacts will be known with the selection of specific EZs or subprojects and scope of works therein, preparing a budget for the entire project or all EZs is not feasible at this stage. Under the circumstances, BEZA proposes to ensure the following:

- The RP or ARP prepared for each EZ, including off-site support infrastructures, which will be subjected to Bank review and clearance prior to accepting it for financing, will include a budget for land acquisition and resettlement; and
- The project funding approval process of the GOB, which may involve other ministries, will provide funds to finance land acquisition and resettlement activities that could not be budgeted at this stage of project preparation.

The budget for each EZ and off-site infrastructures will be detailed with breakdowns in terms of various types of losses with their replacement costs/market prices and the number of persons entitled to compensation in each loss category.

C. GUIDANCE NOTE ON GENDER INTEGRATION

SOCIAL AND GENDER ISSUES

1. This guidance note on gender integration is intended to make Bangladesh Economic Zones Authority (BEZA) and other similar authorities⁷ aware of the World Bank's concerns for gender-based inequalities and indignities prevalent in workplaces where men and women work together. It is observed that development effectiveness of projects can be enhanced by addressing such gender issues that are considered serious obstacles to inclusive and sustainable development. In this regard, the Bank considers it most important that development programs and projects should always explore feasible alternatives to enable the disadvantaged, especially women, to share in the benefits generated by the projects it supports. And it is expected that BEZA and other authorities will most certainly explore all feasible alternatives in the design and implementation of all subprojects like Economic Zones (EZs) and others under the Private Sector Development Project (PSDSP).

2. With regard to gender-related concerns, Bangladesh has gained a great deal of knowledge and experience about various issues associated with the employment and treatment of women. On the positive side, various manufacturing units established in the Export Processing Zones (EPZs) and those outside these enclaves have brought about a profound socioeconomic change in the lives of millions of poor men and women by creating work opportunities that have also immensely benefited the country in terms foreign trade and export income. Establishment of BEZA and other similar authorities under the Prime Minister's Office (PMO) is aimed at expanding and distributing work opportunities in different parts of the country and facilitating diversification in domestic and foreign investments. But there are still a lot of issues regarding gender-based disparities and unfair treatment that continue to remain unaddressed.

Economic Zones & Expected Benefits

3. Governmental efforts have been underway to attract and diversify the manufacturing sector as a whole. Given its significance, promotion of garments manufacturing still remains at the top of the priority enterprises in the BEZA's list of industrial activities that would be encouraged in EZs irrespective of their locations. The EZs that BEZA has decided to develop in different parts of the country will be provided with lands and other support infrastructures like access roads, power and water supply, water treatment plants and the like are a significant part of the incentives to encourage domestic and foreign investments. BEZA has already selected sites for four EZs in three different districts: Mongla in Bagerhat, Sherpur in Moulvibazaar, and Mirersharai and Anowara in Chittagong, and has also been studying other possible locations.

⁷ Bangladesh Export Processing Zones Authority (BEPZA); Bangladesh Economic Zones Authority (BEZA); Private Export Processing Zone Cell (PEPZC); and Bangladesh Computer Council (BCC) under the Prime Minister's Office; as well as Bangladesh Hi-Tech Parks Authority (BHTPA) under the Ministry of Post, Telecommunications and Information & Communication Technology.

4. It is expected that the economic activities, that BEZA would encourage in EZs and provide operational guidance, will variously benefit local workers and economies. While promotion of garments manufacturing remains the topmost enterprise that employ largest number of female workers, electronics, pharmaceuticals, leather and shoes, textiles, food processing, toy making and the like are also known to employ female workers in considerable numbers. Employment possibilities could also be there for maintenance of the physical facilities and other works where employees could be trained on the job. EZ locations that are proximate to urban centers, or easily accessible by public or company-arranged transports, could find suitably educated women to work on jobs that do not require much of technical skills. Again, depending on locations it is also possible to find women suitable to perform managerial jobs. A careful consideration of the tasks involved in a particular production process may indicate where women in particular could be employed.

RMG Sector and Its Significance

5. When it comes to employment and wellbeing of female workers in Bangladesh, readymade garments (RMG) sector figures at the top -- with none anywhere close to it. Since the early 1980s garments manufacturing has been the most prominent sector to have grown fast and created employment opportunities for a large number of Bangladeshi workers and will continue to do so for years to come. It is estimated that Bangladesh has some 4,800 to 5,000 garments factories across the country, and they together employ 3.5 to 4.0 million people, of which more than 80% are women. In 2012 the RMG sector alone accounted for more than 80% of the country's export income, mainly from the United States and European countries⁸. Garments exports tripled between 2005 and 2010 and are expected to triple again by 2020, to almost \$50 billion in annual exports⁹. The Bangladesh RMG sector is second only to China in terms of employment, and the fourth largest exporter of readymade garments in the world¹⁰. Recently, the Bangladesh Ministry of Commerce claimed that Bangladesh is presently the second largest exporter of readymade garments and would become the largest in the near future, dislodging China¹¹.

6. It is also noted that the huge majority of the female workers come from the rural areas where survival -- with bare minimum of the requirements -- was a continuous struggle. For them even the poorly paid jobs in the garment factories are an escape from worse poverty in remote villages around the country. (An important reason for the rapid growth of the RMG sector in Bangladesh is attributed to the lowest worker wages compared to other major garments making countries like China, Vietnam, Indonesia and many other countries in the world¹².) Nevertheless, it is widely recognized that unlike women of the previous generations,

⁸ Annie Kelly (2012). *Urbanization in Bangladesh proves a double-edged sword for women*, The Guardian (<http://www.theguardian.com/global/development/2012/nov/05/urbanization-bangladesh-women>).

⁹ The Bloomberg Business Week (<http://www.businessweek.com/articles/2013-05-09/bangladesh-paradox-for-poor-women-workers>).

¹⁰ War on Want (undated). *Sweatshops in Bangladesh* (<http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh>).

¹¹ Commerce Minister. *Banglades Pratidin*, May 6, 2015, page 1 and 6.

¹² War on Want (undated). *Sweatshops in Bangladesh* (<http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh>). In December 2010 a new national minimum wage came into force,

they now get an opportunity to work outside the households and earn an income which is not only crucial to their families, but also adds to their self-respect and social dignity.

Gender Integration Issues

7. Despite its huge contribution to the national economy, the RMG sector has become synonymous with discrimination and abuse of workers -- most notably of female workers. Although very little or no attention has been paid to other industrial sectors, which also employ women in considerable numbers, it is reasonable to assume that conditions in those workplaces are most likely to be similar also. Given the paucity of information on other sectors, the lessons learned in the RMG sector should provide a strong basis to address the gender integration issues across all enterprises, including RMG that would be established and run by the private investors. The following are widely known issues that are to be addressed for fair treatment of workers in general and the female workers in particular.

- *Women workers* – especially unskilled and lowly skilled -- are particularly vulnerable to discrimination and abuse. In a situation where the wages are already very low and considered far less than living wage¹³, female workers are known to be paid at considerably lower rates than the males for similar jobs.
- *Sexual harassment and indignities*, which range from verbal abuse to “touching” are rarely talked about -- but goes on quietly. Physical assault of workers is not too rare.
- *Freedom of association and collective bargaining* are still not allowed in all factories. (After years of rallies and agitations, which often turned violent, workers' unions are allowed in some of the privately-run factories. It is still not allowed in the enterprises in EPZs where investments are mostly foreign.)
- *Lack of safety* in the factories, which has been widely known and caused hundreds of deaths over the years, due to fire and structurally unsafe buildings that housed many of the factories. (Almost all of the fatal accidents have occurred in factories outside the EPZs. It is expected that BEZA will have an effective arrangement to examine and ensure that structural design of each and every building is sound and has incorporated all required safety measures to prevent fire and other hazards.)

8. As to addressing many of the issues, the most instructive lesson was learned two years ago after collapse of the Rana Plaza that killed 1,129 garments workers and aroused worldwide concerns, especially in countries (USA and European Union) that import readymade garments from Bangladesh. In order to improve the working conditions the Government of Bangladesh, under the auspices of European Commission (EC), United States (US) and International Labor Organization (ILO), agreed to reform and amend its Labor Law to safeguard the workers' rights, safety and other interests, which are all contained in the EC's *Bangladesh Sustainability*

the first wage increase for 4 years. Previously, the lowest paid garment workers earned a meagre £15 a month (1,662 taka) but they will now be able to earn £25 a month (3,000 taka), an increase of 80%. However, this is still short of a living wage, calculated to be £45 a month (5,000 taka).

¹³ In December 2010 a new national minimum wage came into force, the first wage increase for 4 years. Previously, the lowest paid garment workers earned a meagre Taka 1,662 a month, but they will now be able to earn Taka 3,000 a month -- an increase of 80%. However this is still short of a living wage, calculated to be Taka 5,000. (War on Want (undated). *Sweatshops in Bangladesh*, (<http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatsops-in-bangladesh>))

Compact report¹⁴. However, according to the EC's status review, there is still a lot to be done, including application of the amendments made to the labor law. The report and a press release¹⁵ were issued on 24 April 2015 -- the second anniversary of the Rana Plaza disaster. *In this respect, pending reform and amendments to the labor law BEZA can play a proactive role aligning its guidelines and regulations to the provisions of the EC's Bangladesh Sustainability Compact.*

Social and Gender Analysis

9. The objective is to help BEZA and other authorities, as well as the potential investors with information about men and women who would be potential job-seekers in enterprises that will be located in the EZs. This would help BEZA to formulate and institute pragmatic guidelines and regulations to ensure effective integration of gender issues into the economic activities that would possibly be recommended for the individual EZs. On the other hand the investors, who have already decided on certain types of industrial activities, could readily get an idea about whether or not, or the extent to which they could profitably undertake those and, at the same time, integrate gender issues into their operations. Other entrepreneurs could choose from among the activities BEZA might have already identified to offer better possibilities of employing female workers.

10. The issues relating to gender integration and equity can be addressed with: (a) *General guidelines at overall project level* -- which will apply to all EZs irrespective of locations and types of economic activities; and (b) *Guidelines for individual EZs*, which will be complementary to the general guidelines, but extended to ensure benefits for the local workers, including women. BEZA may consider the extended guidelines when an EZ is located in regions/districts that are economically depressed with high incidence of poverty.

General Guidelines at Overall Project Level

11. BEZA will have all required guidelines and regulations about investments and investors; economic activities and allocation of land in EZs; incentive systems; safety and security of workers; and the like, to ensure effective administration and operation of the EZs. All of this will utilize the experiences that have been gained from operation and administration of EPZs over the last three decades and, *most importantly from operations run by the private entrepreneurs*. In this respect, BEZA will also take into account the provisions/improvements agreed in the EC's *Bangladesh Sustainability Compact* jointly prepared by GOB and ILO.

12. BEZA has been aware of the concerns that directly affect the female workers at workplaces, including garments factories. As to EZs, the challenge is integrating gender issues into the administrative and operational guidelines and creating as much opportunities as possible for women, and treating them equitably in terms of wages and other benefits offered to the male workers with similar skills and outputs; ensuring protection against sexual harassment and other forms of indignities prevalent in workplaces across the sectors.

¹⁴ European Commission – Directorate-General for Trade (Brussels, 24 April 2015). *Bangladesh's labor right progress two years after Rana Plaza tragedy* (<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1296>)

¹⁵ European Commission Statement (Brussels, 24 April 2015). *Joint statement by European Commission/HRVP and US agencies on the Second Anniversary of the Rana Plaza disaster in Bangladesh* (http://europa.eu/rapid/press-release_STATEMENT-15-4849_en.htm)

Extended Guidelines at Individual EZ Level

13. Benefiting the local communities and workers at this level will require careful analyses of the current situation which may vary from one EZ to another. Gender analysis at this level would help BEZA to adopt appropriate guidelines to ensure gender integration into the economic activities selected to locate in EZs that are aimed at improving the local economies. This will require analyzing the existing economic and socio-demographic conditions that will indicate economic characteristics and vulnerability of the different community groups, including women; social acceptance of women working outside the households; education that may make an important difference when it comes to suitability for particular jobs, including ease in training to perform particular tasks that the enterprises may require; and other factors that would enable BEZA and the investors to make decisions about the kinds of industrial activities they want to undertake in a particular EZ. Analysis may include, but not limited to, the following information.

- *EZ location*, describing physical characteristics (topography and other physical features) of the individual EZs; proximity to existing urban centers; accessibility to the EZ site; existing/potential transport networks; power and water supply; and others that are usually considered important for setting up manufacturing enterprises.
- *Community consultations*, including women, about objectives of the project and the kinds of enterprises, with job prospects for men and women, which would be set up in the individual EZs. BEZA will consider all inputs and feedbacks received from the communities, and record and analyze all information in terms of gender -- men and women. (Depending on local custom, consultations with women may have to be conducted separately.)
- *Community profile*, indicating population size; ethnicity; education and related facilities; prevalence/practice of gender differentiation; major economic activities; availability and use of common property resources; occupational groups; formal/informal institutions and rules and behavior that may influence gender integration into the industrial activities; and any other information relevant to particular activities identified for the individual EZs.
- *Social acceptability*, existing and potential issues and concerns related to the roles women play in the household and the prospects that they could work outside the households, without causing social conflicts.
- *Other information* that are considered important to make decision on choice of particular EZs and enterprises.

14. In addition to general guidelines and regulations, BEZA could prepare brochures compiling information on the individual EZs. They will contain the above information and more, if required to satisfy the needs of the prospective investors.

Monitoring Gender Integration Issues

15. Monitoring gender integration and other issues will be treated as a continuing activity. Once the general and extended guidelines are in place, BEZA will begin monitoring in line with the stipulations made therein. At the same time, BEZA will make certain whether or not, or the extent to which gender issues have been integrated in the design and operation of the

individual enterprises proposed to locate in EZs. In this respect, BEZA will have special focus on the problems and issues discussed in paragraph 7, in order to ensure:

- That the entrepreneurs have implemented minimum labor wages fixed in December 2010 for both male and female workers. (BEZA will always actively encourage the entrepreneurs to pay what is known as “living wage”.)
- Parity in wages (and festival bonuses, if any) between male and female workers for performing similar tasks, which has long been a concern in the RMG sector, but might also be true in other sectors.
- Protection of female workers from all forms of sexual harassment and indignities, committed by male supervisors, co-workers and others working in any other enterprise in the EZ.
- Provision of separate facilities, such as toilets, dining hall, resting rooms, etc. within the factory buildings.

Grievance Redress Mechanism (GRM)

16. BEZA will establish a mechanism to address grievances and complaints brought by the workers employed in the individual EZs. The GRM will deal with the cases that the Human Resources department in the individual enterprises could not resolve, or resolved in manners not acceptable to the aggrieved person. The GRM will formulate a set of principles to ensure full transparency of the hearing and fairness in the decision-making process, and constitute an EZ-level *Grievance Redress Committee (GRC)* to actually deal with the grievances and complaints. *The GRM will however not pre-empt a worker’s right to go to the courts of law.*

GRC and the Redress Process

17. With two positions – Convenor and Member-Secretary – for itself, BEZA will consider feasible alternatives about the total membership, but will always ensure that male and female workers are equally represented.

- BEZA will hold the hearing within a week of receiving the complaint, keep detailed records of complaints, hearing and the decision -- acceptance and rejection, with reasons.
- If the decision made at this level is not acceptable to the aggrieved person, GRC will refer the case to the BEZA headquarters with details of the complaint and minutes of the hearings at the EZ level. BEZA will review the case and send its decision within four weeks or earlier.
- If a decision at any level is accepted by the aggrieved person, it will be binding on the enterprise where the perpetrator is employed.

18. The GRC at the EZ level will establish a simple computerized system to record the complaints; information on the complainants and perpetrators with names of the enterprises they are employed in; acceptance/rejection of the complaints by GRC/BEZA headquarters and the reasons thereof; follow-up information on implementation of the decisions; and other relevant information that might be sought for periodic review of the EZ development activities.

Annex A1: SCREENING FORM FOR SOCIAL SAFEGUARD ISSUES

[To be filled in jointly by BEZA and Consultant for each EZ site and all other physical works proposed to support the EZ. The Consultant will summarize the impacts and mitigation requirements in the Screening Report and attach copies of the filled-in screening forms. Wherever necessary, the Consultant can use multiple screening forms for each EZ and related works, and add any important information that may not have been included in this form.]

A. NAME & LOCATION OF ECONOMIC ZONE

1. *Proposed EZ Name:* *District:*
Upazila: *Union/Municipality:*
2. *Distance (km) from:* *District headquarters:* *Nearest city/trading Center:*
3. *Distance (km) of the EZ from the nearest highway:*
4. *Proposed EZ is accessible by existing road:* Yes No
5. *New access road needed:* Yes No *Existing road to be widened:* Yes No
6. *Brief physical & natural description of the proposed EZ site & its surroundings:*

7. *Brief account of predominant economic activities of local communities around the EZ:*

8. *Proposed EZ and off-site support infrastructures are located in an area where residents are:*
 All Mainstream or Non-tribal peoples
 All Tribal peoples
 Majority Mainstream or Non-tribal peoples
 Majority Tribal peoples
9. *Brief description of the physical works, including those required outside the EZ:*

B. PARTICIPATION IN SCREENING *Screening Date(s):*

10. *Names of Consultant's representatives who screened the EZ and other related works to identify social safeguard and other issues:*

11. *Names of BEZA officials who participated in screening:*

12. Local Government representatives and community members & organizations participated in screening: *List them in separate pages with names, addresses, signatures, mobile phone numbers and any other information to identify them during preparation of impact mitigation plans.*
13. Would-be affected persons participated in screening: *List them in separate pages with names, addresses, signatures and mobile phone numbers and any other information to identify them during preparation of impact mitigation plans.*

C. LAND AVAILABILITY AND OWNERSHIPS

14. Total amount of land (acre) to be used for: EZ: Works outside EZ:
15. Landownership in EZ: Khas: Other GOB agencies: Private lands:
16. Amount of lands under lease to private citizens: Khas: Other public lands:
17. Amount of land legally transferred to BEZA: Khas: Other GOB agencies:
18. Land (private) Acquisition Proposal (LAP) prepared?: Yes No

D. LAND USE AND POTENTIAL IMPACTS

Khas & Other Public Lands

19. Present use of Khas & Other public lands that will be used for the EZ (Indicate all that apply):
- Agricultural purposes # of persons/household using the land:
- Residential purposes # of households living on the land:
- Commercial purposes # of persons/household using the land: # of shops:
- Other purposes (Indicate) # of persons/household using the land: # of users:
20. Number of users who have lease agreement for using: Khas: Other public lands:
21. Are there any natural resources in EZ that are used by poor as food items for free?: Yes No
22. If 'Yes', a brief account of such resources:
23. Are there any homesteads (vita-bari) in the Khas? Yes No If 'Yes', how many:
24. Are there any economic/business activities in the Khas & other public lands? Yes No
25. If 'Yes', number of businesses that will be displaced:
26. Proportion of the Khas presently under agriculture (%):
27. Any other issues that policymakers should be informed of:

Private Lands

28. Total number of private landowners who will be affected:
29. Present use of private lands (Indicate all that apply):
- Agricultural purposes # of persons/household using the land:
- Residential purposes # of households living on the land:
- Commercial purposes # of persons/household using the land: # of shops:
- Other purposes (Indicate) # of persons/household using the land: # of users:
30. Number of homesteads on private lands that will be affected:
- Entirely, requiring relocation: Partially, but can still live in same homestead:
31. Number of businesses/shops that will be affected on private lands:
- Entirely, will require relocation: Partially, but can still use the same premise:
32. Does this EZ, with all the lands it requires, affect any community groups' access to any resources that are used for livelihood purposes?: Yes No
33. If 'Yes', describe the resources:

34. Do this EZ and related works affect community facilities like school, cemetery, mosque, temple, or any objects that are of religious, cultural and historical significance?: Yes No

35. If 'Yes', describe the facilities:

36. Describe any other impacts that have not been covered in this screening form:

37. Describe alternatives, if any, to avoid or minimize displacement from private and public lands:

38. Which of the following impact mitigation plans will required for this EZ & supportive works?

Resettlement Plan Abbreviated Resettlement Plan None

E. ADDITIONAL INFORMATION ON TRIBAL PEOPLES

(This section must be filled in if EZ & supportive works are located in areas that are also inhabited by tribal peoples.)

39. Names of IP community members and organizations who participated in screening:

40. Have the IP community and would-be affected IPs been made aware of the potential positive and negative impacts and consulted for their feedback and inputs? Yes No

41. Has there been a broad base community consensus on the EZ site & supportive works?

Yes No

42. Total number of IP households which will be affected:

43. The would-be affected IP households have the following forms of rights to the required lands:

Legal # of households:

Customary # of households:

Lease agreements with GOB agencies # of households:

Other arrangements # of households:

44. Do this EZ and related works affect any objects that are of religious and cultural significance to the IPs?

Yes No

45. If 'Yes', describe the objects:

46. The following are the three main economic activities of the would-be affected IP households:

(a)

(b)

(c)

47. *Social concerns expressed by IP communities/organizations about the works proposed under this EZ:*

48. *Perception of the IP community and organizations about social outcomes of this EZ:*

Positive Negative Neither positive, nor negative

49. *In respect of any conditions that may have been agreed for the broad base community consensus, and the social impacts on IPs and their concerns, is there a need to:*

- Undertake an in-depth Impact Assessment study? Yes No
- Prepare an Tribal Peoples Plan? Yes No

On behalf of the Consultant, this Screening Form is filled in by:

50. Name: Designation:

51. Signature: Date:

Annex B1: APPLICATION GUIDELINES FOR MITIGATION MEASURES

[The following guidelines are based on the compensation eligibility of PAPs, mitigation principles and standards, and correspond to the entitlements proposed in the Entitlement Matrix.]

1. LOSS OF AGRICULTURAL & OTHER LANDS

Entitlements for Legal Landowners

Compensation-Under-Law (CUL): As per Land Acquisition Ordinance, CUL covers lands and other assets, such as house/structures, trees, and other items of value, that are built and grown on the acquired lands.

CUL is assessed by the Deputy Commissioners (DCs) and paid only to the persons who have legal titles (and legal agreements in cases of leased-in assets) to the acquired lands and other assets.

Replacement Cost: Current cost of purchasing land of same quality and use, equal to the amount acquired, PLUS the registration cost and stamp duty.

Current cost will be determined by BEZA through local market price surveys for different types of lands, by using the methods suggested in Annex B2.

Stamp Duty and Registration Cost: Charged on the price at which the land is being bought or sold.

Stamp duty and registration cost will be calculated on the current market prices that will be determined through land market surveys.

Top-Up: Equals the positive difference between the total replacement cost and the total CUL paid by DCs.

- *Top-up will apply only to the landowners who have legal titles (DCs identify the titleholders) to the affected lands and other assets.*
- *Top-up will be paid in cases where total CUL paid by DC to an affected property owner is found smaller than the total replacement costs/market prices of all affected assets determined through the market price surveys.*
- *Individual top-ups will be determined by taking into account all acquired assets, but will be paid for the parts for which CUL is paid by DCs. (Partial CUL and top-up payment may occur in situations where lands are acquired from an owner are located in more than one mouza, or are under more than one daag, or involve legal disputes.)*

Top-up will be determined in the following manner:

Sum of the replacement costs and market prices (as may apply) of all affected assets, minus the total amount of CUL paid by DC to a landowner for lands and other assets affected in any number of mouzas.

Transition Allowance: *Will apply to certain landowners and 'vested non-resident (VNR)' land owners/users. Operational guidelines are provided under Loss Category 5 below.*

Leaseholders of Khas/Public Lands

If such lands come under acquisition, the DCs, who execute the lease agreements, will determine and settle the contractual obligations in the form of CUL.

2. LOSS OF HOMESTEAD LANDS (VITAA)

Homesteads on Private Lands: For homesteads on private lands, the proposed assistance measures will apply in addition to the compensation for the lands as per provisions described above, and for the houses and other assets as per the provisions described below.

Where the affected households can no longer live in the present homesteads (vitaa), they can either directly purchase replacement lands at locations of their choice, or relocate on public lands that BEZA would arrange. Wherever they decide to relocate, additional relocation assistance will consist of:

- Development of the lands to the level of other homesteads in the locality and provision of access roads.
- Restoration of pre-acquisition level basic utilities, such as water supply and sanitation, electricity, etc.

Homesteads on Public Lands (Non-titled persons): Relocation assistance to will apply to poor and vulnerable households, and consist of:

Development, as above, of public lands that BEZA would designate for their relocation, as well as provision of water supply and sanitation facilities.

Homesteads on VNR Lands: Relocation assistance as follows:

- *Where parts are acquired and the remainders of the homestead lands are adequate to shift and rebuild the houses:* Compensation/assistance will consist of moving and rebuilding costs.
- *Where acquisitions require physical relocation elsewhere –* Relocation assistance will consist of relocation plot in public lands to be arranged and developed by BEZA, and moving and rebuilding costs; OR
- Six months' rent for living accommodations comparable to the affected ones. The rent will be determined based on the prevailing rates in the nearby towns/urban settlements, including Upazila headquarters and the like.

3. LOSS OF HOUSES/STRUCTURES

Legal Owners

Compensation-Under-Law: Assessed by the DCs on all houses/structures standing on the acquired private lands during joint verification by DC and BEZA following the issuance of Notice-3 under the Land Acquisition Ordinance.

Replacement Costs: Assessed by BEZA, will include current costs of the same building materials, labor and any other cost items to rebuild the affected houses/structures.

- *Costs of materials, labor and other cost items will be determined by surveying their current prices in the local markets by using the methods suggested in Annex B2.*
- *Where houses/structures are partially affected and the remainders are structurally safe and useable, replacement costs will be determined on the affected portions.*

Non-titled persons on Khas & Other Public Lands

Socioeconomically vulnerable non-titled persons are entitled to House Transfer Grant (HTG) and House Construction Grant (HCG) for shiftable and non-shiftable houses.

- *HTG and HCG will apply to shiftable houses/structures built with materials/components that can be dismantled without much damage and the materials can be used to rebuild them. Shiftable houses/structures are generally built with bamboo thatch, GI sheets, wood, plastic sheets, and other inexpensive, generally non-breakable materials.*
- *HCG applies to non-shiftable houses/structures generally built with materials/components that cannot be dismantled intact. These are likely to be built with mud walls, mud-plastered walls of straw/bamboo/jute stalks and similar cheap materials, and straw roofs.*

The following exceptions will apply for HTG and HCG:

- *Both shiftable and non-shiftable houses/structures will be ineligible for compensation if (a) they are not used by the owners themselves, or (b) rented out to others.*
- *No affected structures built after the cut-off dates will be eligible for compensation.*

Vested Non-Resident Property Users/Owners

Are eligible for HTG and/or HCG, which will be determined in consultation with the present users/owners.

- *Both HTG and HCG will apply where houses/structures are to be moved and rebuild.*
- *HCG will apply where houses/structures are partly affected and the remainders are structurally safe and usable.*
- *Where houses/structures are partly acquired, the current users will be allowed to use the remainder.*

4. LOSS OF TREES ON ACQUIRED PRIVATE & PUBLIC LANDS

Compensations for trees affected on private lands will be assessed by the District Forestry Department, and those grown on public and VNR lands by BEZA.

Compensation for Trees: Will be based on the survey of current prices in the local markets by using the methods suggested in Annex B2. The compensation will take into account the species, size, maturity and other characteristics of the affected trees that influence their market value.

In addition to the above compensation, the owners will be allowed to fell the trees and keep them. The owners will not fell the trees unless BEZA asks them to do so after it verifies, as and when necessary, the assessment by the Forestry Department.

Compensation for Fruits on Trees: Will apply if the trees need to be felled before the fruits are harvested.

BEZA will use the standards of Agriculture Department to estimate the amount of fruits on individual trees, and determine their value based on the survey of current harvest prices in the local markets (as suggested in Annex B2).

5. LOSS OF AGRICULTURAL, BUSINESS, EMPLOYMENT & RENTAL INCOME

Agricultural Income: The transition allowance (TA), three times the value of crops grown a year, will be applied as follows: (a) *Legal Owners:* if acquisition amounts to 20% or more of the total productive area; and (b) *VNR Owners/Users:* for any amount of land acquired. The TA will be determined as follows:

In cases of multiple crops: *Sum of the harvest prices of the crops produced in the acquired land in each cropping season in the year, multiplied by three.*

In cases of single and perennial crops: *Total harvest price of the crop, multiplied by three.*

BEZA will use the standards of Agriculture Department to determine the amount of various crops produced per unit of land, and the market surveys for harvest prices (as suggested in Annex B2).

Business Income: Applies to the owners of all businesses affected on private and public lands.

Unless proper bookkeeping is practiced by the business owners, use of the method suggested for determining loss of business income may become difficult. In order to corroborate the income loss determined based on information given by the owners, BEZA will examine previous year's income tax returns and VAT payment records.

Compensation for Temporarily Closed Businesses: Average daily net income, exclusive of expenses like rent, staff salary, utilities, etc., based on a period of 30 days.

Compensation will be paid for the number of days needed to reopen the individual businesses, or complete the civil works, whichever is smaller.

Compensation for Partially Affected Businesses: Applies to those which are affected partially and can still operate from the remainders of the premises.

Economic Zones: Resettlement & Social Management Framework (RSMF)

Compensation, calculated as above, will be paid for the number of days needed to repair and reopen the individual businesses, or complete the civil works, whichever is smaller.

Compensation for Businesses Requiring Physical Relocation: Applies to businesses that are to be removed entirely from the present spots.

- In public lands arranged by BEZA, in consultations with the affected business owners, and the municipal committees, Union Parishads and haat/bazaar committees.
- Compensation based on average daily net income, exclusive of expenses like rent, staff salary, utilities, etc., based on a period of 30 days. Compensation will be paid as follows:
 - Self-relocation: For the number of days needed to reopen the individual businesses in locations the business owners choose, for a maximum of 90 days.
 - Relocation on Public Lands: For the number of days needed to reopen the individual businesses, for a maximum of 45 days.

Employment Income Loss: Will apply to persons who would be (a) found continuously employed in the affected businesses for at least six months up to the date of PAP census (cut-off date); and (b) remain employed in those establishments at the time the businesses are required to vacate the lands.

- *Employees of businesses requiring temporary closure during construction will be compensated for the actual number of days needed to reopen the individual businesses, or for a maximum of 30 days.*
- *Employees of businesses requiring relocation will be compensated for the actual number of days needed to relocate them, or for a maximum of 45 days.*
The daily compensation rates will be based on the individual employee's current monthly salary or daily wages.

Rental Income Loss: Applies to the legal owners of the affected built premises located on private lands, which have been rented out to others. *The three months' compensation will be based on monthly rent paid by the current tenants.*

6. UNFORESEEN LOSSES

BEZA will take into account any impacts/losses that are unique to any subprojects and not covered in this RSMF, and consult to adopt measures and application guidelines required to mitigate them.

Annex B2: SUGGESTED METHODS FOR MARKET PRICE SURVEYS

[In line with the proposed compensation principles, BEZA, assisted by the consultant, will conduct market price surveys to determine replacement costs of the acquired lands, houses/structures and other replaceable assets and market prices of irreplaceable assets by using the methods suggested below.]

LANDS OF ALL KINDS

The market price surveys will begin as soon as locations of the required acquisitions are identified on the ground. BEZA will document the replacement costs and market prices of various affected assets and make them available as and when asked for review by the World Bank.

The surveys will explicitly take into consideration the quality of the lands under acquisition. Quality will take into account current uses, cropping intensity and value of crops produced, accessibility from the existing roads, and any other characteristics that influence the lands' market value. The surveys will be conducted on the following three groups of respondents:

- A random sample of 10-15 landowners in the *mouza* in which the lands under acquisition are located and in those adjacent to it;
- As many of most recent buyers and sellers of similar lands can be found in the same and adjacent mouzas; and
- Deed writers, as many can be found and agree for interviews, at the land registration offices, who recently handled transactions of lands in the same or adjacent mouzas. (They will be asked about the actual prices, not those written in the deeds.)

Market value of the lands will be determined in the following manners:

- *If variations in average prices reported by the three respondent groups are insignificant (or, are 10% or less), current value of the lands will be fixed at the average of the prices reported by the three groups.*
- *In cases of significant differences (more than 10%), the current prices will be negotiated in open meetings with the affected and other landowners, community leaders, CBOs/NGOs and the like.*

Replacement costs of land will equal the market price, plus the registration cost and stamp duty. The registration cost will be calculated on the current market price.

HOUSES AND OTHER BUILT STRUCTURES

Replacement costs will be based on the current prices of various building materials, labor and other cost items in the local markets. The costs of building materials, such as bricks, cement, steel, sand, bamboo, timber, GI sheet, roofing materials like straw, golpata, etc, and labor will be based on:

- Survey of current prices of different types of materials with five or so dealers/manufacturers in the local markets.
 - *The replacement cost of the house/structure will be based on the lowest quoted price for each type of material, plus their carrying costs to the sites.*
- The current costs of labor with different skills will be determined by interviewing local contractors and construction workers.

Replacement costs of any other replaceable affected assets will also be based on the current prices of materials, transportation and labor costs, etc.

TREES & OTHER IRREPLACEABLE ASSETS

Market prices of different varieties of trees will be determined by surveying the prevailing prices paid by five or so lumber and fuel-wood traders in the local markets. *The compensation for trees will be fixed at the highest prices offered by a trader.*

Compensation for all other irreplaceable assets will also be based on survey of their prevailing prices with dealers/traders in the local markets.

FRUITS AND OTHER CROPS

Compensation will be fixed at the harvest prices of the fruits and other crops. Harvest prices of different varieties of fruits and crops will be collected from a sample of 7-10 dealers in the local markets. *The compensation for each type of fruit and crop will be fixed at the highest price offered by a trader.*

Annex B3: MONITORING LAND ACQUISITION, AND PREPARATION & IMPLEMENTATION OF IMPACT MITIGATION PLANS

The following indicators will be used to monitor status of major tasks involved in land acquisition, and preparation and implementation of resettlement activities.

A. LAND ACQUISITION

Except for the EZ site itself, *engineering designs* are a pre-requisite to starting the land acquisition activities outside an EZ. Once the design decisions are finalized determining the acquisition needs and their ground locations, the following tasks will be monitored to assess progress in land acquisition:

- Preparation of the Land Acquisition Proposals (LAPs), by using standard formats required by the Acquiring Body.
- Date LAPs submitted to the line Ministry (PMO for BEZA) for administrative approval.
- Date LAPs submitted to the Deputy Commissioner (DC).
- Date LAPs approved by the District Land Allocation Committees (DLAC) and, if required, the Ministry of Land.
- Date Notice-3 issued by DC of the project district (This date serves as cut-off date for the legal owners of the lands under acquisition).
- Identification and development of relocation sites
- Date Joint Verifications by acquisition officials and BEZA completed.
- Date Notice-6 issued by DC of project district.
- Date Compensation Estimates submitted by DC to BEZA.
- Date BEZA submits the Compensation Estimates to the PMO.
- Date the PMO approved the Compensation Estimates.
- Date BEZA placed the compensation funds with DC.
- Date Notice-7 issued by DC to the affected landowners.
- Dates DC started CUL payment process.
- Continuing monitoring of progress in CUL payment by DC.

B. PREPARATION & IMPLEMENTATION OF MITIGATION PLANS.

Preparation process for impact mitigation plans begins, once decision on the EZ site and other physical works are finalized and ground locations of the acquisitions are identified. The following are the major tasks that will be monitored during preparation and implementation:

- Census of the project affected persons and assets, and fixing of the cut-off dates for non-titled persons.
- Survey of replacement costs and market prices of the affected lands and other assets.

- Consultation and information dissemination with regard to compensation payment procedure and the documents required to claim compensation from the DC (a continuing activity).
- Formation of the Grievance Redress Committees (GRCs).
- Preparation of Compensation Budgets for non-titled persons and others not covered by the acquisition ordinance, and top-up for titleholders.
- Preparation and submission of RP/ARP for Bank review and clearance.
- Preparation of the individual entitlement files for different PAP groups, with all applicable entitlements.
- Approval of the Compensation Budgets by BEZA.
- Continuing monitoring and reporting progress in payment of CUL, top-up and other applicable entitlements to titleholders and non-titled persons and similar PAPs; and relocation of homestead losers, and displaced businesses and other activities.

Any other tasks that may have remained unknown will be included in the monitoring system. Progress in land acquisition and resettlement planning and implementation activities will be reported in appropriate formats.