

Updated Resettlement Plan

May 2023

Timor-Leste: Presidente Nicolau Lobato International
Airport Expansion Project

Updated Land Acquisition, Compensation and Support
Plan - Volume I

Prepared by the Council for the Administration of the Infrastructure Fund (CAFI) for the Asian Development Bank. This is an updated version of the draft originally posted in March 2021 available on <https://www.adb.org/projects/documents/tim-52320-002-rp>.

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ABBREVIATIONS

AACTL	–	Autoridade de Aviação Civil de Timor-Leste
ADB	–	Asian Development Bank
ANATL	–	Air Navigation Administration of Aviation Timor-Leste
ATCT	–	Air Traffic Control Tower
CAFI	–	Council for Administration of the Infrastructure Fund
COI	–	Corridor of Impact
CSC	–	Construction Supervision Consultant
CSO	–	Civil Society Organization
DAFT	–	Department of Foreign Affairs and Trade
DDR	–	Due Diligence Review
DED	–	Detailed Engineering Design
DMS	–	Detailed Measurement Survey
EA	–	Executing Agency
EIA	–	Environmental Impact Assessment
EMO	–	External Monitoring Organization
FGD	–	Focus Group Discussion
GRM	–	Grievance Redress Mechanism
IA	–	Implementing Agency
ICAO	–	International Civil Aviation Organization
IMC	–	Inter-ministerial Commission
IMWG	–	Inter-ministerial Working Group
IOL	–	Inventory of Losses
IPMU	–	Integrated Project Management Unit
IRP	–	Income Restoration Program
JCLAC	–	Joint Committee for Land Acquisition and Compensation
LAR	–	Land Acquisition and Resettlement
MOAF	–	Ministry of Agriculture and Fisheries
MOF	–	Ministry of Finance
MOPW	–	Ministry of Public Works
MOTC	–	Ministry of Transportation and Communications
NDLPCS Services	–	National Directorate of Land and Property and Cadastral Services
NDPPP	–	National Directorate of Public Private Partnership
NGOs	–	Non-government organization
NPC	–	National Procurement Commission

PET	–	Project Evaluation Team
PIB	–	Project Information Booklet
PMU	–	Project Management Unit
PNLIA	–	Presidente Nicolau Lobato International Airport
PPP	–	Public Private Partnership
PPPU	–	Public Private Partnership Unit
PPTA	–	Project Preparatory Technical Assistance
RCS	–	Replacement Cost Survey
RESA	–	Runway End Safety Area
ROW	–	Right of Way
TRTA	–	Transaction Technical Assistance
SAH	–	Severely Affected Household
SPS	–	Safeguard Policy Statement (ADB, 2009)
ULACSP	–	Updated Land Acquisition, Compensation, and Support Plan
VAH	–	Vulnerable Affected Household

DEFINITIONS OF TERMS

Affected Person	Affected persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
Compensation	Refers to payment in cash or in-kind for an asset or resource that is acquired or affected by the Project at the time the asset needs to be replaced. All compensation is based on the principle of replacement cost, which is the method of valuing assets to replace the loss at current market rates, plus any transaction costs such as administrative charges, taxes, registration and titling costs.
Cut-off Date	Refers to the date set to determine eligibility for compensation and assistance under the project. The cut-off date for this Project is the date that the Inventory of Losses (IOL) for all affected land and assets of individuals/households within the project's area and the census of all affected households is completed. The cut-off-date has been announced publicly by Inter-Ministerial Working Group together with the local authorities and posted in the accessible public places. Any people who settle in the project area after the cut-off date will not be entitled to compensation and assistance under the project.
Eligibility	Refers to any person who has settled in the Project area before the cut-off date that suffers from (i) loss of shelter, (ii) loss of assets (land, space above and below the surface of the land, buildings, plant, and objects related to the land) and/or or ability to access such assets, permanently or temporarily, or (iii) other losses that can be appraised such as transaction costs, interest, on loss of residual land, loss of income sources or livelihood regardless of relocation, profession shift, and other types of loss stated by the assignor, will be entitled to compensation and/or assistance.
Entitlement	Refers to a range of measures comprising compensation, relocation cost, income rehabilitation assistance, transfer assistance, income substitution/business restoration, etc. which are due to the affected persons, depending on the type and severity of their losses, and are sufficient to restore their economic and social base.
Income Restoration	Refers to re-establishing productive livelihood of the affected persons to enable income generation equal to or, if possible, better than that earned by the affected persons before the resettlement or of pre-project levels.
Inventory of Losses	This is the process where all fixed assets (i.e., land used for residence, commerce, agriculture, including ponds; dwelling units; stalls and shops; secondary structures, such as fences, tombs, wells; trees with commercial value; etc.) and sources of income and livelihood inside the Project's area are identified, measured, their owners identified, their exact location pinpointed, and their replacement costs estimated. Additionally, the severity of impact to

the affected assets and the livelihood and productive capacity of affected persons will be determined.

Involuntary resettlement	Refers to when affected people have no right to refuse land acquisition by the state that results in their displacement, which occurs when land is acquired through (i) expropriation by invoking the eminent domain power of the state, or (ii) land is acquired through negotiated settlement when the pricing is negotiated and the failure will result in expropriation through invoking the eminent domain of power of the state.
Legal landowners	Refers to (i) persons with formal legal rights to the affected land and (ii) persons who lose the land they occupy and have no formal legal rights to such land, but have claims to such lands that are recognized or recognizable under national laws.
Informal settlers	Refers to those who illegally occupy the affected land – they have neither formal legal rights nor recognized or recognizable claims to such land.
Rehabilitation	Assistance provided in cash or in-kind to project affected persons (especially the severely and vulnerable affected persons) due to the loss of productive assets, incomes, employment or sources of living, to supplement payment of compensation for acquired assets, in order to achieve, at a minimum, full restoration of living standards and quality of life.
Relocation	The physical displacement of an affected person from her/his pre-project place of residence and/or business.
Replacement cost	Replacement cost involves replacing an asset, including land, at a cost prevailing at the time of its acquisition. This includes fair market value, transaction costs, interest accrued, transitional and restoration costs, and any other applicable payments, if any. Depreciation of assets and structures should not be considered for replacement cost. Where there are no active market conditions, the affected persons and host populations will be consulted with to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information. This will also include collecting baseline data on housing, house types, and construction materials.
Replacement Cost Study	This refers to the process involved in determining replacement costs of affected land or other assets based on empirical data.
Severely Affected Persons	Those who experience significant/major impacts due to (i) losses of 10% or more of their total productive land, assets and/or main income sources due to the project; and/or (ii) relocation due to insufficient remaining residential land to rebuild.
Vulnerable groups	These are distinct groups of affected persons who are likely to be more adversely affected than others and who are likely to have limited ability to re-establish their livelihoods or improve their status and comprise of (i) households living below the national poverty rate established by the Government of Timor-Leste (who are with Poor ID), (ii) female headed households with dependents,

(iii) disabled headed households with no other means of support, (iv) elderly headed households with no other means of support, (v) child headed households with no other means of support, (vi) landless households, (vii) those without legal title to land, and (viii) ethnic minorities.

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EXECUTIVE SUMMARY

1. The Government of Timor-Leste has requested Asian Development Bank (ADB) assistance for Stage 1 of the expansion of President Nicolau Lobato International Airport (PNLIA). The proposed President Nicolau Lobato International Airport Expansion Project (the Project) will involve (i) extension of the existing 1,850 m runway to 2,100 m¹, including a 166 m seaward extension; (ii) runway widening from 30 m to 45 m, and increase of runway strip protection width from 150 m to 280 m; (iii) new taxiways with dimensions to cover Code C aircrafts; (iv) reconfiguration of aprons; and, (v) relocation of the air traffic control tower. The Executing Agency (EA) of the Project is the Council for the Administration of the Infrastructure Fund (CAFI), and the Implementing Agency (IA) is the Ministry of Transport and Communications (MOTC).

2. This Updated Land Acquisition, Compensation, and Support Plan (ULACSP) has been prepared based on (i) the results of the Inventory of Losses (IOL) that were finalized after being disclosed to and confirmed by affected households (AHs), a census of the AHs identified as per the final project boundary for Stage 1 airport expansion, that was confirmed by the Government of Timor-Leste, conducted in September and December 2022; (ii) the issued Resolution No. 24/2022 of the Government on determination of compensation unit rates for affected lands and assets for the Project based on the results of the conducted Replacement Cost Survey (RCS) by the external and qualified replacement appraiser; and (iii) additional public consultations with the AHs and local communities in September 2022 and February 2023.

3. **Legal and Policy Framework.** The legal and policy framework for land acquisition and involuntary resettlement (LAR) of the Project is defined by relevant laws and regulations of the Government and the Safeguard Policy Statement (SPS, 2009) of ADB. Objectives of the project's policy are to avoid, or, if not possible to avoid, minimize resettlement impacts, restore income and livelihoods of AHs, and improve living standards of the Project's vulnerable affected households (VAHs).

4. **Project Entitlements.** The cut-off date of the Project is the date set to determine eligibility for compensation and assistance under the Project. It is the date on which the IOL for all the affected land and assets of individuals/households within the project LAR footprint and the census of all the AHs were completed (04 December 2020). The cut-off date was disclosed to AHs during the 2nd public consultation on 21 January 2021. If any additional LAR impacts are found during the Project implementation, an addendum to the ULACSP will be prepared and submitted for ADB clearance and disclosure on the ADB website.

5. Compensation for affected land and other assets of affected persons (APs) will be at full replacement cost. An entitlement matrix and its applications are provided in this ULACSP. The entitlement matrix covers the compensation and types of assistance to be provided to AHs based on scope and type of impacts, as well as additional assistance for the severely affected households (SAHs) and VAHs. The entitlement matrix was developed in consultation with the APs, local authorities, and relevant agencies during the

¹ Under Stages 2 and 3 (outside the scope of the project proposed for ADB financing), extension of the existing runway is to 2,500 m and 3,000 m, respectively.

public consultation meetings carried out by the Inter-ministerial Working Group (IMWG) with the support from the Social Safeguards Consultant.

6. **Scope of Land Acquisition and Resettlement Impacts.** According to the IOL results finalized in February 2023, construction activities for the Project permanently require acquisition of a total of 139,583 m² of land consisting of 138,408 m² of land (130 land plots) occupied by 127 households (766 persons) and 1,175 m² of land owned by the Government (school land). Among the 127 AHs with loss of land, 55 AHs (352 APs) are legal landowners; 58 AHs (299 APs) are with land title disputes with the State or between individuals²; and 14 AHs (115 APs) are considered as illegal landowners following the provisions of the Government's laws and regulations. It is planned by the Government Grievance Commission that the status of the land titles of the AHs will be concluded and responded to the AHs in April 2023.

7. A total of 251 households (1,309 persons) will be affected by land acquisition for the Project that includes (i) eight (08) households (50 persons) with permanent loss of land only; and (ii) 243 households (1,259 persons) with loss of land and/or structures, crops, and trees. Moreover, two companies, including Dyke company and a warehouse coffee will be also affected by the Project. Additionally, 280 hired labourers who are working for the two affected companies will temporarily lose their income due to the relocation of their shops/warehouses to new places.

8. According to the IOL results, a total of 6,773 various kinds of trees and 26,251.1 m² of crops will be affected by land acquisition by the Project. There will be 211 affected main structures (191 houses, 11 house-cum-shops, and nine (9) shops/warehouses) identified during the IOL. The affected main structures consist of 206 structures built by 205 households (1,047 persons), and five (05) structures constructed by the two affected companies. In addition, the land acquisition for the Project will have impacts on secondary structures (i.e., bathrooms, car garages, kitchens, water tanks, etc.) owned by 176 AHs (1,082 APs) and the two companies, and 19 graves of 18 AHs (94 APs).

9. The IOL results indicated that 205 households (1,047 persons) and two companies will be required to relocate due to land acquisition by the Project. The 205 relocation households include (i) 20 households (158 APs) whose residential land will be partially affected but the remaining residential land is not adequate to continue staying in the area; (ii) 53 households (317 APs) whose residential land will be fully affected; and (iii) 132 households (572 APs) whose structures built on the other's land will be fully affected or partially affected but the remaining portions of the structures are not sufficient and safe for the continued use as its original function. A total of 32 households with 172 persons will lose more than 10% of their total landholding and/or income-generating assets. Therefore, 237 out of 251 AHs (1,219 APs) are considered as severely affected households (SAHs) and will be entitled to participate in the Income Restoration Program (IRP) of the Project. The IOL and census data showed that 112 out of the 237 SAHs are also categorized as vulnerable affected households (VAHs).

² The AHs have been occupying the affected land for more than 20 years, and they already registered the land ownership with the National Cadastral System. However, the AHs have not yet been categorized as legal landowners due to the unknown reasons- and the Government's Grievance Commission is reviewing the disputes for settlement. Therefore, their affected land is categorized as land in disputes.

10. A total of 112 AHs (726 persons) out of total 251 households affected by the Project are considered as VAHs. Among the 112 VAHs, there are 81 poor households (526 APs), 18 female-headed households with dependents (98 APs), 4 households headed by a disabled person with no other means of support (47 APs), and 9 households headed by an elderly person with no other means of support (55 APs). None of the AHs belong to an ethnic minority group and are landless households. It is noted that 21 households (106 persons) fall into more than one vulnerability category and all the VAHs will be also severely affected by the Project.

11. In addition, public assets including one primary school in Beto Tasi, one volleyball court of the primary school, one gravel road from Naroman to Beto Tasi, 18 electric poles, two (2) road sign boards; and two public trash cans will be also affected by the Project. As planned by the Government in coordination with the DFAT, a new school will be built just behind the affected school and a new bridge to replace the affected road will be constructed in Beto Tasi financed by the Australian Government Department of Foreign Affairs and Trade (DAFT) in 2024-2025. Land acquisition and resettlement impacts caused by the construction of the new school and new bridge will be measured in May 2023 - and an addendum to the ULACSP will be prepared by resettlement experts engaged by Australian Government DAFT to govern land acquisition and resettlement of these components. Entitlements on compensation and support for the AHs in the addendum to the ULACSP may be upgraded but shall not be downgraded compared to those in this ULACSP.

12. With the aforementioned impacts, the Project is categorized as Category A for Involuntary Resettlement as per ADB SPS, 2009 and ADB Operations Manual OM Section F1/OP (2013).

#	Impacts		Unit of Quantification	Quantity	No. of AHs	No. of APs
A	Affected Households and Affected Persons					
A-1	Total AHs				251	1,309
	- Permanent loss of occupied land only;				8	50
	- Households with loss of land and/or crops, trees or structures;				243	1,259
B	Total Land Required for Acquisition		m²	139,583		
B-1	- Land occupied by households		m ²	138,408	127	766
B-2	- Public owned land		m ²	1,175	A primary school	
C	Structures					
C-1	Main structures (191 houses, 11 house-cum-shops and 9 stand-alone shops/warehouses)		Number	211		
	- Built by Households		Number	206	205	1,047
	- Built by affected companies		Number	5	2	-
C-2	Secondary structures (fences, poultry and				176 households	1,082

#	Impacts		Unit of Quantification	Quantity	No. of AHs	No. of APs
	cattle breeding facilities, tank, etc.)				and two companies	
C-3	Graves		Number	19	18	94
D	Crops and Trees					
D-1	Crops		Unit	26,251.1	162	987
D-2	Trees		Number	6,773	198	1,274
E	Vulnerable Households				112	726
E-1	Vulnerable households losing 10% or more of total production landholding as main income-generating asset of the household		Number		32	172
E-2	Vulnerable relocated households		Number		80	554
F	Public assets (a primary school, access road from Naroman to Beto Tasi, electric poles, road signboards, public trash can)					
G	Severe Loss					
G-1	Relocated households		Number		205	1,047
G-2	Households losing 10% or more of their total income-generating assets		Number		32	172
H	Income Loss					
H-1	Households doing business in their own affected shops/house-cum-shops that are required to physically displace		Number		14 households and two companies	90
H-2	Temporary loss of income of employees working for affected business during the business disruption period		Number			280

13. **Information Disclosure and Public Consultation.** During preparation of the ULACSP, four rounds of public consultation have been conducted with AHs in all the project aldeias (hamlets). The first round of public consultation was held on 26 October 2020 before the IOL and census of AHs; the second round was organized on 21 January 2021 after the completion of the IOL and census; the third round was carried out on 20 September 2022 to finalize the IOL results and the compensation/assistance amount together with affected households; and another round took place on 20 February 2023 on the provisions of the ULACSP before submission of the ULACSP to ADB for review and approval. There were 491 people attending the public consultation meetings in total, of which females accounted for 26.7%. Representatives of Non-Governmental Organizations

(NGOs) and Community-Based Organizations (CBOs) in the project area were invited to participate in the meetings and 10 representatives of NGOs attended the public consultation meetings. The entitlements on compensation, assistance and relocation of the AHs, the implementation schedule of the project LAR, and the established project level-grievance redress mechanism (GRM) are reflected in the Project Information Booklet (PIB) and delivered to all the AHs, local authorities, and relevant agencies for consultations - and posted in the public places of the project hamlets and Madohi suco (i.e., village administration's office). Additionally, eight (8) focus group discussions (FGDs) were also conducted with the participation of 46 persons, including local fishermen, relocation households, teachers and parents of the students studying at the affected school, etc. during the ULACSP preparation to obtain their perceptions and concerns about the project LAR impacts, and to record their suggestions and recommendations on the land acquisition and resettlement related issues of the Project.

14. Key information of this ULACSP has been shared and discussed with the meeting participants, including: (i) the project description and design aspects (locations, design, benefits of the investment); (ii) land acquisition and resettlement impacts and feasible measures taken to minimize and mitigate the impacts; (iii) eligibility and entitlements for the project LAR impacts; (iv) the established project-level GRM; (v) schedule for project implementation; and (vi) mechanism for continuing meaningful consultation with and participation of affected people, communities and other stakeholders in land acquisition and resettlement planning, implementation and monitoring of the Project. Results of consultation, participation, and information dissemination to the APs and stakeholders in the ULACSP preparation process have been incorporated into this ULACSP.

15. **Grievance Redress Mechanism.** To ensure that all grievances and complaints by APs and affected communities regarding land acquisition, compensation, assistance, and relocation or any other aspects of the Project are resolved in a timely and satisfactory manner, and that all avenues for airing grievances are available to them, a project-level GRM was officially established by the Project in March 2022 and publicly announced to the affected communities in September 2022. The established project-level GRM with three steps was explained to the AHs and communities and documented in the PIB delivered to the AHs. In addition, the procedure for settling the land title disputes of the 58 AHs was set-up by relevant Government's agencies and informed to the AHs and posted in the accessible public places in the project area. Complainants will be exempted from all administrative and legal fees that might be incurred in the resolution of grievances and complaints.

16. **Relocation.** A total of 205 households (1,047 persons) and two companies will be physically displaced. According to the results of consultations and the census conducted during preparation of this ULACSP, 191 relocation households (including legal landowners and those with the land title disputes but will have to relocate) plan to find suitable places within or out of Madohi suco to self-relocate. All the 14 informal settlers confirmed that they have land plot in Dili Municipality – just 2.0-4.0 km from the affected area, so they will be able to move back and stay on their land. All the relocation households are entitled to resettlement assistance shown in the entitlement matrix comprising transportation assistance, transitional assistance, income restoration and others. All the AHs, and the two affected companies will be informed six (6) months in advance of the land acquisition by the Project so that they have enough time to find another place to relocate. Compensation and assistance will be provided in full before relocation of physically displaced households and the companies. As the results of the IOL and consultations have revealed that there is no need for the project assisted resettlement sites, the Government will not allot land or develop resettlement sites for this Project.

17. **Income Restoration Program.** An Income Restoration and Rehabilitation (IRP) has been prepared to be implemented by the Project to support (i) the SAHs that will lose 10% or more of their production/income-generating asset and relocation households and (ii) the VAHs of the Project. According to the IOL results finalized in February 2023, a total of 237 households (1,219 persons) are eligible to participate in the IRP of the Project. According to the results of a detailed needs assessment carried out during preparation of this ULACSP, the IRP eligible AHs expected to (i) expand or enlarge their business (shops, restaurants, etc.) after relocation; (ii) enhance or maximize productivity of and income from production land; (iii) be provided with technical assistance (training and suitable support) in raising, fattening or breeding of livestock; (iv) be provided with job placement support; (v) participate in free vocational training for household members of working age; and (vi) have access to preferential micro-credits for other activities. No cash will be provided to the eligible households but capacity building measures will be provided. The IRP implementation is planned to commence in May 2023.

18. **Implementation Schedule.** Payment of compensation and assistance to APs will be conducted when the ULACSP has been reviewed and accepted by ADB and disclosed on the websites of both ADB and MOTC. It is planned that payment of compensation and assistance will be made to the APs from May 2023.

19. Construction of specific sections with land acquisition and resettlement impacts will begin after (i) compensation and assistances have been provided in full to the APs; (ii) relocation of physically displaced households has been fully completed; (iii) the IRP for the eligible AHs is in place; and (iv) the area is free from any encumbrances.

20. **Calculated Cost.** The total calculated budget for land acquisition, compensation and support of the Project is approximately USD 11,650,376.4. Budget for compensation, assistance and resettlement for the Project presented in this ULACSP has been calculated based on the compensation unit rates specified in the Resolution No. 24/2022 the Government regulating compensation unit rates applied for the affected lands and other assets of the Project following the results of the RCS carried out by an independent and qualified replacement cost appraiser in November and December 2021.

21. **Monitoring and Reporting.** To help ensure that the agreed ULACSP is implemented as planned, monitoring of resettlement activities will be carried out, internally by the Integrated Project Management Unit (IPMU), and externally by an external resettlement monitoring agency mobilized by CAFI. The objectives, scope, frequency of monitoring and reporting mechanism are presented in the ULACSP.

1. PROJECT DESCRIPTION

1. The Government of Timor-Leste (the Government) has requested ADB assistance for Stage 1 of the expansion of the Presidente Nicolau Lobato International Airport (PNLIA) in Dili Municipality (“the Project”). The Executing Agency (EA) of the Project is the Council for Administration of the Infrastructure Fund (CAFI) and the Implementing Agency (IA) of the Project is Ministry of Transport and Communications (MOTC).

2. Timor-Leste has four international airports (in Baucau, Suai, Oecusse, and the PNLIA in Dili) and five domestic airports operated by the Air Navigation Administration of Timor-Leste (ANATL). The Autoridade de Aviação Civil de Timor-Leste (AACTL) is the public body in charge of civil aviation of the country and functions as the regulator. Both the ANATL and the AACTL are under the MOTC. The PNLIA plays the role of the gateway airport to Timor-Leste and handled 0.17 million passengers in 2019, of which 90% were international. Even before the COVID-19 pandemic, the PNLIA connected to only four countries (Australia, Indonesia, Singapore, and Malaysia)³, which posed challenges for Timor-Leste in establishing stronger linkages with a broader market in the region.

3. The PNLIA has a runway of 1,850 meters (m) in length with a pavement width of 30m. The runway can accommodate Code C aircrafts such as B737 and A320, but operations of these aircrafts are under significant payload restrictions because the length of the runway is short.⁴ The existing runway also does not have the International Civil Aviation Organization (ICAO) specified Runway End Safety Areas (RESA). The ICAO standards specify that a RESA shall be at least 90m long for safe aerodrome operation. These two issues pose challenges in route development of the PNLIA for better air connectivity of the country because airlines must take into consideration commercial penalty from operating with reduced passenger load factors (i.e., less seats occupied) and extra safety measures. The current Air Traffic Control Tower (ATCT) is also in poor condition and does not fully meet the requirements even for the existing runway.⁵

4. The Project outcome is improved efficiency and safety of goods’ and people’s movements. The outputs of the Project are as follows (Land acquisition and resettlement (LAR) impacts presented in this document are linked to implementation of Output 1).

- **Output 1: PNLIA runway, ATCT, and other key airport facilities improved, including:**
 - i. Improvement of airport safety level to fully comply with the International Civil Aviation Organization’s Annex 14 standards and recommendations,
 - ii. Airport runway extension to approximately 2,100 meters including a runway end safety areas, and widening including runway strip protection,

³ Since the outbreak of COVID-19 pandemic, it has served only one direct route to Australia (Darwin).

⁴ Aircraft codes are based on a combination of aircraft wingspan and outer main gear. The ICAO Aerodrome Design Manual suggests ranges of reference field lengths corresponding to different aircrafts types. The Code C aircraft refers to the airplane type with wingspan of 24-36m and outer main gear wheel span of 6-9m. Code E aircraft has wingspan of 52-65m and outer main gear wheel span of 9-14m (ICAO Annex 14 standards and recommendations).

⁵ The current location of the ATCT satisfies most of the requirements for line-of-sight distances and reaction times on the existing runway, but it has a constrained view of the eastern runway threshold and is not suitable for the proposed extension of the runway in achieving the shortest possible delay in the air traffic controller detecting aircraft movements at take-off. The ICAO standards recommends the response time to be kept below four (4) seconds under all circumstances.

- iii. Construction of taxiways and partial parallel taxiway,
 - iv. Relocation of air traffic control tower,
 - v. Installation of aeronautical ground lighting system, and
 - vi. Reconfiguration of airport facilities with climate-resilient, access-friendly, and gender-sensitive design features to conform to the upgraded runway;
- **Output 2: Establishment of organizational and management capacity, including:**
 - i. Preparation and approval by the IPMU of an inclusive human resources development plan with staff training policy and program;
 - ii. Establishment of a financial management and accounting system, and
 - iii. Preparation and approval by the IPMU of an operation manual for monitoring and reporting.

5. The Government established an Integrated Project Management Unit (IPMU), an interministerial body. The IPMU will have a technical working group,⁶ which is responsible for the day-to-day project management including procurement and recruitment of consultants, contract and financial management, and safeguards implementation and monitoring. The capacity building will focus on developing the capacity of the IPMU, comprising staff from the MOTC, National Directorate of Public Private Partnership (NDPPP), ANATL, and AACTL, on procurement, contract and project management, financial management and accounting, and safeguards implementation and monitoring. The support in capacity development is meant to achieve long-term sustainability beyond the project implementation period, so that it can sustain the capacity within the IPMU and its relevant organizations.

6. Figure 1 below presents the map layout of the proposed Project.

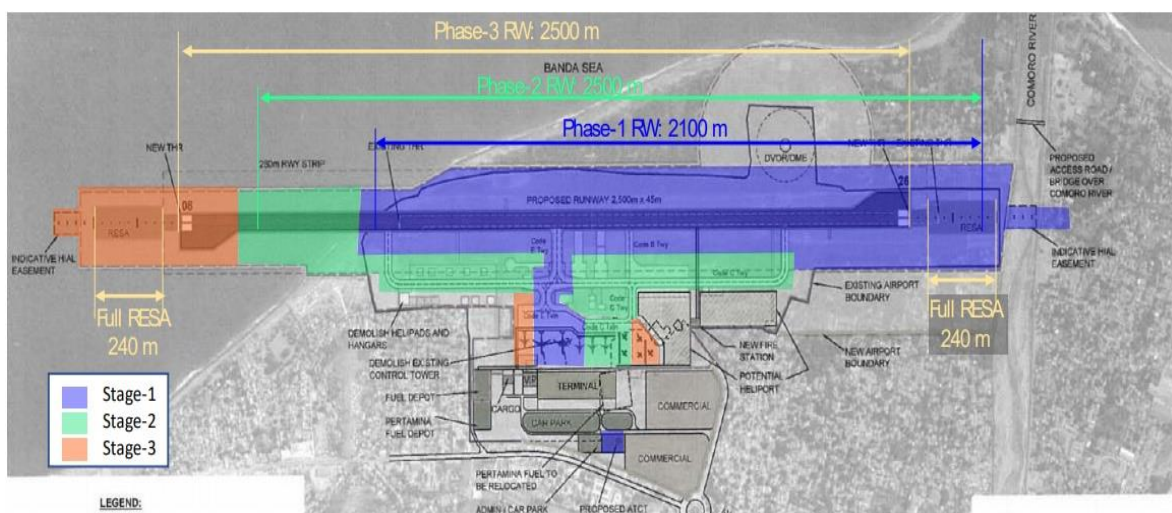


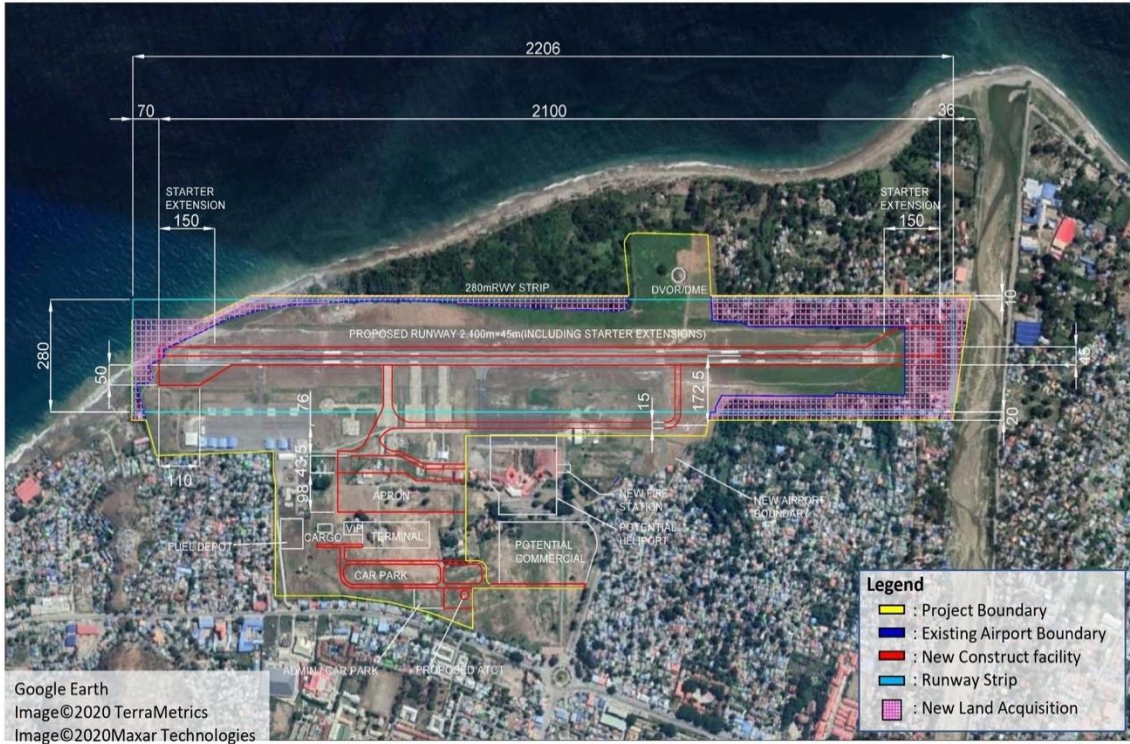
Figure 1: Layout Map of the Proposed Project

Source: IMWG/IPMU/JCLAC, 2020

⁶ The members of the technical working group will mostly come from the ANATL, the asset owner; MOTC, its line ministry; and other relevant ministries.

7. This Updated Land Acquisition, Compensation, and Support Plan (ULACSP) has been prepared to address land acquisition and resettlement (LAR) impacts of the Project. The area for land acquisition is in Beto Tasi Aldeia, Anin Fuik Aldeia, Loromatan Aldeia, and Naroman Aldeia in Madohi suco, all are within the Administrative Post of Dom Aleixo, Dili Municipality. Source: IMWG/IPMU/JCLAC, 2020

8. Figure 2 below shows the satellite map of the Project boundary and the land acquisition area.



Source: IMWG/IPMU/JCLAC, 2020

Figure 2: Satellite Map of the Project Boundary and Land Acquisition Area – Stage 1

2. SCOPE OF LAND ACQUISITION AND RESETTLEMENT IMPACTS

2.1. Measures Taken to Minimize Adverse Impacts

9. Efforts have been made by the technical design team to significantly reduce the LAR impacts of the Project through studying the project area and discussing with related agencies to minimize the project boundary while considering the requirements of each facility and topographical characteristics. Compared to the Government-approved master plan for the PNLIA expansion in 2019, the total area of land acquisition reduced is 23.41 ha for all three stages (Stages 1,2, and 3) as below; of which the land acquired for Stage 1 of the Project reduced is 8.60 ha:

- A total of 12.82 ha is reduced at the North area of the Airport around the Very High Frequency Omni-directional Range and Distance Measuring Equipment (VOR/DME) since the minimum requirement specified in International Conference on Airport Planning (ICAP) standard can be satisfied within the existing boundary so no additional land acquisition is needed for these components as required in the master plan. The area of land has been reduced for Stage 1 by the mentioned measures is 3.40 ha;
- An area of 10.59 ha has been reduced at the Southeast area of the airport since only landing strip, drainage ditch, perimeter road, and perimeter fence are required, and no other facilities are planned in this area. The boundary identified by the technical design team can cover these facilities - which is smaller than the land requirement in the master plan. For Stage 1, a total of 5.20 ha of land has been reduced due to the mentioned measures taken.

10. Aside from the technical merits of the design alternatives, public consultations were conducted with local authorities and affected households (AHs); Project Information Booklets (PIBs) in Tetum were distributed and made accessible to the affected persons (APs) and the public at large. All the suggestions of APs and communities on minimising the Project LAR impacts have been seriously considered by the Transaction Technical Assistance (TRTA) Consultant and concerned agencies. The construction activities will be monitored by people in the project area, communities, and an external monitoring agency to ensure impacts on surrounding residential land and production lands of households are minimised.

2.2. Summary of Land Acquisition and Resettlement Impacts

11. Before conducting the IOL, demarcation of the boundary of the Project on the ground based on the basic design of the components was carried out from November to December 2020. With the cadastral maps and GPS coordinates provided by the feasibility study design consultant, the boundary of the Project was identified in the field. The identified boundary was marked with stakes. The demarcation was carried out with the participation of the feasibility study design consultant, local authorities, chiefs of the project aldeias, the AHs and representatives of relevant Government agencies such as National Directorate of Land and Property and Cadastral Services (NDLPCS), Ministry of Public Works (MOPW), Ministry of Agriculture and Fisheries (MOAF) and ANATL.



Figure 3: Photos Taken during the Demarcation

12. The IOL teams measured the affected land and assets upon land of all AHs and organizations from 6th November to 4th December 2020 together with the AHs and the chiefs of Madohi suco and of four project aldeias so that the AHs and organizations were aware of the types and scope of LAR impacts caused by the Project. Copies of the IOL results were provided to the AHs and organizations to check and confirm the measured impacts. The Project LAR scope was presented in the series of public consultation meetings conducted from 2020 to 2023. The IOL results were finalized in February 2023 after being publicly posted in September 2022 for AHs' review, feedback and discussions with IOL measurement teams.

13. According to the results of the IOL, the expansion of the PNLIA (Stage 1) will permanently acquire a total area of 139,583 m² of land of various categories. It comprises 138,408 m² of private land occupied by 127 households (766 persons), and 1,175 m² of public owned land (school land). Additionally, 211 main structures including 191 houses, 11 house-cum-shops and 9 shops/warehouses and other secondary structures as well as 6,773 trees of various kinds and 26,251.1 m² of crops, and 19 graves will be affected.

14. A total of 251 AHs (1,309 APs) and two (2) companies are affected by land acquisition of the Project in four aldeias in Madohi suco. These AHs include 19 households (81 persons) in Anin Fuik; 186 households (879 persons) in Beto Tasi; six (06) households (39 persons) in Loromata; and 40 households (310 persons). Among the 251 AHs, eight (8) households (50 persons) are affected by permanent loss of land only; and 243 households (1,259 persons) are with loss of land and/or other assets on land (structures, crops and trees). The two affected companies include one coffee warehouse in Loromata and one Dyke company in Beto Tasi.

15. As a result of land acquisition by the Project, 205 households (1,047 persons) and two companies will be physically displaced; and 32 households with 172 persons will lose more than 10% of total productive landholding and/or income-generating assets of the households. Moreover, 112 out of 251 AHs are categorized as VAHs with 726 APs.

16. The below Table 1 presents the number of AHs and APs disaggregated by aldeia presents the number of AHs and APs disaggregated by aldeia.

Table 1: Number of Potentially Affected Households and Affected Persons in Each Aldeia by Type of Impact

Aldeias	Households with loss of land only		Households with loss of structures and/or crops and trees other than land		Tenant		Total		Of which			
	No. of AHs	No. of APs	No. of AHs	No. of APs	No. of AHs	No. of APs	No. of AHs	No. of APs	No. of Physical Displaced HHs	No. of Physical Displaced APs	No. of Vulnerable AHs	No. of Vulnerable APs
Anin fuik			19	81			19	81	13	48	12	71
Beto Tasi	8	50	178	829			186	879	146	650	72	436
Loromata			6	39			6	39	6	39	4	34
Naroman			40	310			40	310	40	310	24	185
Total	8	50	243	1,259	0	0	251	1,309	205	1,047	112	726

Source: Inventory of Losses results, February 2023

2.2.1. Impact on Lands

16. According to the IOL results, a total area of 139,583 m² of land in four aldeias, namely Anin Fuik, Beto Tasi, Loromata, and Naroman will be permanently acquired for three components under the Project including (i) extension of the existing runway, (ii) taxiways; and (iii) other ancillary facilities (Table 2). A large proportion of the land (59.4%) will be acquired for the extension of the existing runway, followed by the land area required for taxiways with 21.8% while the land for other ancillary facilities occupies 18.8% of the total affected land area. Across the four project aldeias, Beto Tasi has the largest area acquired for the Project with 72.3% of total area of the acquired land, followed by the proportion of the affected land in Anin fuik with 16.0%. The affected land in the other aldeias (Naroman and Loromata) accounts for 8.7% and 3.0% respectively of the total land affected by the Project.

Table 2: Area of Permanently Affected Land Disaggregated by Component

Components	Anin fuik (m ²)	Beto Tasi (m ²)	Loromata (m ²)	Naroman (m ²)	Total (m ²)	% of total affected land
Extension of the existing runway		81,005		1884	82,889	59.4
Other ancillary facilities		16,968		9,286	26,254	18.8
Taxiways	22,296	2963.00	4,218	963	30,440	21.8
Total (m²)	22,296	100,936	4,218	12,133	139,583	100.0
% of total affected area	16.0	72.3	3.0	8.7	100.0	

Source: Inventory of Losses results, February 2023

17. Total land area to be permanently acquired for the Project is 139,583 m² comprising 138,408 m² of the land occupied by 127 households (766 persons), and 1,175 m² of public owned land (a primary school in Beto Tasi Aldeia). The Table 3 below summarizes the area of the affected land disaggregated by aldeia.

Table 3: Area of Permanently Affected Land Disaggregated by Aldeia

Aldeias	Land being used by individuals/households				Public land			Total	
	No. of plots	Area (m ²)	No. of AHs	No. of APs	No. of plots	Area (m ²)	No. of affected organizations	No. of plots	Area (m ²)
Anin fuik	6	22,296	6	43				6	22,296
Beto Tasi	90	99,761	87	473	1	1,175	A primary school	91	100,936
Loromata	4	4,218	4	27				4	4,218
Naroman	30	12,133	30	223				30	12,133
Total	130	138,408	127	766	1	1,175		131	139,583

Source: Inventory of Losses results, February 2023

18. The affected land area of individuals/households consists of 87,689 m² of residential land occupied by 95 households (594 persons); and 50,719 m² of agricultural land occupied by 32 households (172 persons). It is noted that there are three (3) households who each have two land plots that will be acquired for the Project. Among 95 households (594 APs) with loss of residential land, 53 households (317 persons) have their land fully affected; 20 households (158 persons) are with partial loss of land, but the remaining land is not adequate to continue staying in the area, and 22 households (119 persons) are with partial loss of land and the remaining land is still sufficient for the AHs to continue staying in the area. All of the households with loss of agricultural land (32 AHs – 172 APs) will be severely affected due to land acquisition of the Project as the agricultural land will be entirely acquired. Table 4 shows the scope of impacts on land that is being used by the households disaggregated by type of land.

19. Regarding legality of the affected land, among the 127 AHs (766 APs) with loss of land, 55 AHs (352 APs) are with legal land certificates, 58 AHs (299 APs) are with land title disputes, and 14 households (115 APs) are considered as illegal landowners following the provisions of the Government's laws and regulations. Among the 58 AHs (299 APs), 55 AHs are with land title disputes with the State and three (3) AHs are with land title disputes with other individuals. The AHs have been occupying the affected land for more than 20 years and the AHs already registered their landownership with the National Cadastral System, however, the AHs have not yet been recognized as legal landowners – their land is still marked as “red” in the cadastral map of land management agency. The AHs have had dialogues with Government's Grievance Commission and the Commission committed to review the cases and respond to the AHs in April 2023. Regarding the 14 illegal landowners, the AHs have occupied the affected land for about ten (10) years. However, it was confirmed by informal settlers during the public consultation meetings conducted in September 2022 that all the illegal landowners have other land plots in Dili Municipality located about 2-4 km far from the affected area by the Project. The list of these 14 illegal landowners is enclosed as Appendix 4.

Table 4: Impacts on Private Land Disaggregated by Type of Land

Aldeia	Residential land				Agricultural land				Total			
	No. of AHs	No. of APs	No. of plots	Affected area (m ²)	No. of AHs	No. of APs	No. of plots	Affected area (m ²)	No. of AHs	No. of APs	No. of plots	Affected area (m ²)
A. Legal landowners (HGB & SKPHAT Indonesia document land title; consider as legalized document (Secondary Land ownership)												
Anin fuik					1	15	1	2,260	1	15	1	2,260
Beto Tasi	28	156	29	25,794	4	26	4	5,401	32	182	33	31,195
Loromata	4	27	4	4,218					4	27	4	4,218
Naroman	18	128	18	10,155					18	128	18	10,155
Subtotal 1	50	311	51	40,167	5	41	5	7,661	55	352	56	47,828
B. Legal landowners (Dispute with individual, dispute with state after/before 1999, long period of occupation after/before 1999)												
Anin fuik	3	7	3	7,807	2	10	2	12,229	5	17	5	20,036
Beto Tasi	28	161	28	33,883	25	121	27	30,829	53	282	55	64,712
Loromata									0	0	0	-
Naroman									0	0	0	-
Subtotal 2	31	168	31	41,690	27	131	29	43,058	58	299	60	84,748
C. Illegal landowners												
Anin fuik									0	0	0	-
Beto Tasi	2	20	2	3,854					2	20	2	3,854
Loromata									0	0	0	-
Naroman	12	95	12	1,978					12	95	12	1,978
Subtotal 3	14	115	14	5,832	0	0	0	-	14	115	14	5,832
Anin fuik	3	7	3	7,807	3	25	3	14,489	6	32	6	22,296
Beto Tasi	58	337	59	63,531	29	147	31	36,230	87	484	90	99,761
Loromata	4	27	4	4,218	0	0	0	-	4	27	4	4,218
Naroman	30	223	30	12,133	0	0	0	-	30	223	30	12,133

Aldeia	Residential land				Agricultural land				Total			
	No. of AHs	No. of APs	No. of plots	Affected area (m ²)	No. of AHs	No. of APs	No. of plots	Affected area (m ²)	No. of AHs	No. of APs	No. of plots	Affected area (m ²)
GRAND TOTAL	95	594	96	87,689	32	172	34	50,719	127	766	130	138,408

Source: Inventory of Losses results, February 2023

2.2.2. Impact on Houses and Other Structures

Main Structures (Houses, House-cum-shops and Shops)

20. The IOL recorded that there are 205 households with 1,047 persons and two companies whose main structures will be affected by the land acquisition for the Project. The construction activities will impact a total of 39,144.0 m² of 211 main structures, including houses, house-cum-shops, and shops. The affected main structures are comprised of 33,501.6 m² of 191 houses owned by 191 AHs (957 persons) and one company; 1,420.2 m² of 11 house-cum-shops owned by 11 households (81 persons); and 4,222.2 m² of nine (9) stand-alone shops/warehouses owned by one household (5 persons) and two companies. The area of affected main structures is calculated considering all the floors of the affected structures. Among 205 households with loss of main structures, there are 73 households (475 APs) whose affected structures were built on their own land; 14 households (115 APs) whose affected structures were constructed on their illegally owned land; and 118 households (457 APs) whose affected houses were constructed on their parents' land or closed family members' land.

21. The affected main structures are categorized into four (4) types as shown in

22. Table 5 below. Among the total affected main structures, 74.4% are classified as Category A, followed by Category B with 16.6% and Category C with 8.1%. The main structures classified as Category D constitute 0.9%. The numbers and areas of the affected structures by category are detailed in Table 6.

Table 5: Categories of Affected Main Structures

Categories	Roof	Wall	Floor	Percentages of Structures (%)
Category A	Brick/ Corrugated iron	Brick/Concrete	Tiles	74.4
Category B	Corrugated iron	Brick	Cement	16.6
Category C	Corrugated iron	Brick	Earth	8.1
Category D	Corrugated iron	Combination of brick and thatch	Cement	0.9

Source: Inventory of Losses results, February 2023

23. All the 205 households (1,047 persons) have main structures fully affected or partially affected but the remaining portions of the structures are not viable and safe for continued use. Therefore, these 205 households (1,047 APs) are required to relocate to another place. Regarding two companies (one coffee warehouse company and Dyke company), their warehouses will be also fully affected.

Table 6: Impacts on Main Structures

Aldeias		House	House-cum-shop	Stand-alone shop/warehouse	Total
Households					
Anin fuik	No. of affected structures	8	2		10
	Affected area (m ²)	1343	326		1669
	No. of AHs	10	2		12
	No. of APs	20	18		38
Beto Tasi	No. of affected structures	140	5	4	149
	Affected area (m ²)	20,386.91	167.16	714.4	21,268.47
	No. of AHs	139	5	3	147
	No. of APs	650	32	9	691
Loromata	No. of affected structures	6		1	7
	Affected area (m ²)	1007		452	1459
	No. of AHs	6			6
	No. of APs	39			39
Naroman	No. of affected structures	36	4		40
	Affected area (m ²)	10,304.50	927		11,231.50
	No. of AHs	36	4		40
	No. of APs	248	31		279

Aldeias		House	House-cum-shop	Stand-alone shop/warehouse	Total
Total of Households	No. of affected structures	190	11	5	206
	Affected area (m²)	33041.41	1420.16	1166.4	35627.97
	No. of AHs	191	11	3	205
	No. of APs	957	81	9	1047
Companies					
Beto Tasi	No. of affected structures	1		2	3
	Affected area (m ²)	460.2		2217.83	2678.03
	No. of AHs	1			1
	No. of APs	3			3
Loromata	No. of affected structures			2	2
	Affected area (m ²)			838	838
	No. of AHs			1	1
	No. of APs			5	5
Total of Companies	No. of affected structures	1	0	4	5
	Affected area (m²)	460.2	0	3055.83	3516.03
	No. of AHs	1	0	1	2
	No. of APs	3	0	5	8

Aldeias		House	House-cum-shop	Stand-alone shop/warehouse	Total
GRAND TOTAL	No. of affected structures	191	11	9	211
	Affected area (m²)	33,501.6	1,420.2	4,222.2	39,144.0

Table 7: Categorization of Affected Main Structures by Aldeia

Aldeias		Category A	Category B	Category C	Category D	Total
Anin fuik	Affected area (m ²)	1395	256	18		1669
	No. of affected structures	7	2	1		10
	Percentage (%)	70%	20%	10%	0%	10000%
Beto Tasi	Affected area (m ²)	14,079.13	4,358.37	5401.4	107.6	23946.5
	No. of affected structures	110	26	14	2	152
	Percentage (%)	72%	17%	9%	1%	10000%
Loromata	Affected area (m ²)	1007	1290			2297
	No. of affected structures	2	7			9
	Percentage (%)	22%	78%			10000%
Naroman	Affected area (m ²)	10,928.50		303		11231.5
	No. of affected structures	38		2		40
	Percentage (%)	95%		5%		10000%
Total	Total	27,409.63	5,904.37	5722.4	107.6	39114

Aldeias		Category A	Category B	Category C	Category D	Total
	No. of affected structures	157	35	17	2	211
	Percentage (%)	74.4	16.6	8.1	0.9	100

Source: Inventory of Losses results, February 2023

Secondary Structures and Graves

24. Apart from the affected main structures mentioned above, 176 households (1,082 persons) and the two companies will have secondary structures (i.e. fences, kitchens, bathrooms, poultry and cattle breeding facilities, stalls, water pumps, floors, retaining wall stairs, etc.) affected. In addition, the IOL team identified 19 affected graves owned by 18 AHs (90 APs). The table below shows the detailed impacts on the secondary structures of the AHs.

Table 8: Scope of Impacts on Secondary Structures and Graves

Types of Affected Structures	Unit	Anin fuik	Beto Tasi	Loromata	Naroman	Total
Secondary structures						
Retaining wall stair	m ²	30.0				30.0
Bathrooms	m ²	136.0	713.2	81.0	167.6	1,097.8
Car garage	m ²		113.5		131.0	244.5
Poultry raising facilities	m ²	-	19.5	9.0	-	28.5
Garden fence	m ²		289.0		336.3	625.2
Fence	m	22.0	4,265.0	60.0	1,002.7	5,349.7
Floor	m ²	-	134.2	-	636.7	770.9
Cattle breeding facilities (cowshed, goat pens, and pig pens)	m ²	241.4	378.1	125.5	37.4	782.4
Water pump	m ²	-	172.0	-	-	172.0
Fishpond	m ²	-	6.0	9.0	24.3	39.3
Kitchen	m ²	156.8	979.5	69.0	187.8	1,393.1
Septic tank	m ²	-	508.0	-	4.0	512.0
Stall	m ²	70.1	275.5	-	-	345.6
Terrace	m ²	9.0		10.0	33.0	52.0
Toilet	m ²	-	32.0	-	60.0	92.0
Tomb	Unit					
Warehouse	m ²	40.4	158.0	-	172.9	371.3
Water tank	m ²	-	6.3	-	-	6.3
		705.6	8,059.6	363.5	2,797.6	11,926.4
Total	No. of AHs	13	118	5	40	176

Types of Affected Structures	Unit	Anin fuik	Beto Tasi	Loromata	Naroman	Total
	No. of APs	65	697	44	276	1,082
Graves	No. of companies		1	1		2
	Unit	-	13.0	-	6.0	19.0
	No. of AHs		13		5	18
	No. of APs		64		30	94

Source: Inventory of Losses results, February 2023

2.2.3. Impact on Crops and Trees

25. The IOL teams recorded that there are a variety of trees planted on the land to be acquired for the Project. The affected trees are classified into three main types including fruit trees (banana, papaya, custard apple, coconut, guava, jackfruits, etc.), timber trees (teak, gmelina, sandalwood and mahoni), and others such as betel leaf, betel nuts and flowers. A total of 6,773 trees are affected by land acquisition by the Project that includes 3,036 fruit trees, 217 timber trees, and 3,520 other trees. These affected trees are owned by 144 households with 648 persons and the coffee warehouse owner. Numerous types of flowers, moringa trees, and banana trees are the most popular in the project area, accounting for 51.4%, 7.2% and 6.9% of total affected trees, respectively. Table 10 shows the quantity of affected trees by type of tree. At the time of the IOL finalized in February 2023, there are 26,251.1 m² of various types of crops which are being planted by 144 households (174 persons) and the coffee warehouse owner in the COI (Table 12). To avoid impacts on crops, the Government will announce the confirmed schedule for land acquisition six (6) months in advance of the acquisition date.

Table 9: Impacts on Trees

Aldeias	No. of AHs	No. of APs	Types of affected trees			Total
			Fruit trees	Timber trees	Others	
Anin fuik	17	49	373	4	543	920
Beto Tasi	89	386	2337	209	2103	4,649
Loromata	5	39	9	0	83	92
Naroman	33	174	317	4	791	1,112
Total	144	648	3036	217	3520	6,773

Source: Inventory of Losses results, February 2023

Table 10: Quantity of Affected Trees by Type of Tree

Types of Trees	Anin fuik	Beto Tasi	Loromata	Naroman	Total
Fruit trees	373	2337	9	317	3,036

Types of Trees	Anin fuik	Beto Tasi	Loromata	Naroman	Total
Areca Tree	4	25		17	46
Avocado	15	16		2	33
Banana	68	360	6	37	471
Bread fruit		43			43
Cacao		3		1	4
Candlenut		1		4	5
Dragon Fruit		1		3	4
Coconut	13	300	2	27	342
Grape		4		1	5
Grapefruit	10	27	1	6	44
Guava	1	128		15	144
Jackfruit	17	54		14	85
Lime	27	80		15	122
Mango	46	120		30	196
Moringa	50	380		60	490
Orange	5	64		12	81
Papaya	45	399		18	462
Pineapple		82		18	100
Pomegranate	4	39		5	48
Soursop	20	130		4	154
Star fruit	8	37		17	62
Water apple	40	44	4	11	99
Timber trees	4	209	0	4	217
Gmelina <15		205		1	206
Gmelina >15				2	2
Sandalwood	4	1		1	6
Mahoni		1			1

Types of Trees	Anin fuik	Beto Tasi	Loromata	Naroman	Total
Teak		2			2
Other trees	543	2103	83	791	3,520
Betel leaf		14	1		15
Betel Nutt		21			21
Flower	543	2,068	82	791	3,484
Total	920	4,649	92	1,112	6,773

Source: Inventory of Losses results, February 2023

Table 11: Impacts on Crops

Aldeia	Affected Crops (m2)	No. of AHs	No. of APs
Anin fuik	5,428.8	17	49
Beto Tasi	16,735.3	89	386
Loromata	1,487.0	5	39
Naroman	2,600.0	33	174
Total	26,251.1	144	648

Source: Inventory of Losses results, February 2023

Table 12: Types of Affected Crops

Aldeia	Anin Fuik	Beto Tasi	Loromata	Naroman	Total
Cabbage	12.0	1,233.9		270.0	1,515.9
Cassava	380.0	1,058.0	280.0	263.0	1,981.0
Chili	18.0	632.0	34.0	62.0	746.0
Corn		2,563.5		20.0	2,583.5
Eggplant	155.0	187.0		205.0	547.0
Kale	4,507.8	5,783.7	1,044.0	1,113.0	12,448.5
Peanuts				1.0	1.0
Spinach	75.0	4,279.0	125.0	322.0	4,801.0
Sweet potato		576.2			576.2
Red beans				15.0	15.0
Taro	151.0	270.0	4.0	65.0	490.0
Tomato	130.0	152.0		264.0	546.0

Aldeia	Anin Fuik	Beto Tasi	Loromata	Naroman	Total
Total	5,428.8	16,735.3	1,487.0	2,600.0	26,251.1

Source: Inventory of Losses results, February 2023

2.2.4. Impact on Business and Income

26. There are 14 households (90 persons) and two companies (a coffee warehouse and Dyke company) that will have their business and income affected as their house-cum-shop and/or shops/warehouses are fully affected and required to be relocated to other places due to land acquisition. All the 14 AHs (90 APs) and two companies are doing business in their own shops and house-cum-shops built on the land that they are using. A total of 280 hired labourers working for these two companies will have income disrupted during relocation period of the companies. The Table 13 below presents the number of households who have business and income affected by aldeia.

Table 13: Impacts on Business/income of Affected Households

Aldeias	Households who are doing business in their own shops/house-cum-shops		Households who are renting out their land for business		Households who are operating their business in the rented houses/structures		Total	
	No. of AHs	No. of APs	No. of AHs	No. of APs	No. of AHs	No. of APs	No. of AHs	No. of APs
Anin fuik	2	18					2	18
Beto Tasi	8	41					8	41
Loromata								
Naroman	4	31					4	31
Total	14	90					14	90

Source: Inventory of Losses results, February 2023

27. As shown in Table 14, among those who loss of business, only two affected companies have business license (registration) while the remaining 14 households are mainly groceries without business license.

Table 14: Business Registration

Aldeias		Registered business	Unregistered business
Anin fuik	No. of AHs		2
	No. of companies		
Beto Tasi	No. of AHs		8
	No. of companies	1	
Loromata	No. of AHs		
	No. of companies	1	

Aldeias		Registered business	Unregistered business
Naroman	No. of AHs		4
	No. of companies		
Total	No. of AHs		14
	No. of companies	2	

Source: Inventory of Losses results, February 2023

28. For those who are doing business in their own shops/house-cum-shops and affected companies, their business will be affected during the period from the time of handing over the affected land/structure until their business is re-established in a new place. Consultations with the physically displaced shop owners and affected company owners revealed that it may take three months (90 days) for these households/ companies to find other places to move to, re-establish their businesses in the new places and get their businesses to operate normally and restore their income. According to census data, the average income to be affected during the period of business disruption for these AHs is about USD 200.0/month/household while the affected owners of the coffee warehouse and the Dyke company estimated that their median income from the affected businesses is about USD 5,000.0/month and USD10,000.0/month, respectively.

29. All the affected shop owners (14 households) are running their own business which means that there are no hired employees for their business who will lose their job permanently. The census data indicates that 280 employees including 215 persons working for the coffee warehouse; and 65 employees of the Dyke company will lose their income temporarily due to the relocation of the shops/warehouses to new locations. The daily lost wage of the affected employees is USD 5.0/person/day on average.

Table 15: Number of Affected Employees

Types of Affected business	No. of affected employees
Coffee warehouse	215
Dyke company	65
Total	280

Source: Inventory of Losses results, February 2023

2.2.5. Impact on Public Assets

30. In addition to the aforementioned impacts, the Project will affect one primary school in Beto Tasi aldeia with an area of 1,075 m²; one volleyball court of the primary school; one gravel road from Naroman to Beto Tasi with the length of 2.0 km; 18 electric poles owned by Timor-Leste Electricity; two (2) road sign boards owned by Dili Municipal Office; and two public trash cans owned by Dili Municipal Office. The quantity of the affected public assets is shown in Table 16 below.

Table 16: Impacts on Public Assets

Types of Public Assets	Unit	Quantity
Primary school		1
Volleyball court		1
Access road	Km	2
Electric poles	Ea	18
Road sign boards	Ea	2
Publish trash can	Ea	2

Source: Inventory of Losses results, February 2023

31. Regarding the impact on the primary school, the measurement results indicated that the distance from the runway to the school is 160-170m. Extension of the runway will acquire 85% of total land area of the school. The remaining 15% of the land area of the school is not adequate for the school to continue operating; therefore, the entire land area of the school will be acquired by the Project.

32. A new school will be constructed in Beto Tasi financed by the Australian Government Department of Foreign Affairs and Trade (DFAT). The new school will be built just behind the existing school affected by the Project. The students still continue studying at the existing school while the new school is being constructed. Completion of the new school and demolition of the existing school will be phased to ensure that there will be no impacts on the studying of the students. Land acquisition for construction of the new school will be implemented in 2023. It has been planned by the IMWG and relevant agencies that the IOL on the affected lands and non-land assets of the AHs for building the new school will be carried out from June-December 2023. The new school will be completed construction and put in operation by end of Quarter 3rd, 2024. The affected land area of the existing school will be acquired (planned to be on Quarter 4th, 2024) after the construction of the new school is completed and put in operation. For the affected road connecting Naroman and Beto Tasi, a bridge will be constructed in Beto Tasi (in Dyke company area) to replace the road. The new bridge will serve as the alternative connection between Naroman and Beto Tasi. It has been confirmed by the Government that the road will be maintained to connect the communities until construction of the new bridge has been fully completed and the bridge is put in use.

33. The land acquisition and resettlement impacts caused by construction of the new school and the new bridge will be identified (planned from June-December 2023) and Addendum to the LACSP will be prepared by resettlement experts engaged by DFAT to govern land acquisition and resettlement of these components. Entitlements on compensation and support for the AHs in the LACSP Addendum may be upgraded but shall not be downgraded compared to those in this ULACSP.

34. Construction of the new school and the new bridge will not be allowed until (i) the LACSP Addendum is prepared and acceptable to ADB; (ii) compensation and assistance have been paid in full to the AHs and communities; (iii) relocation of physically displaced households, if any, has been fully completed; (iv) Income Restoration Program for the SAHs and VAHs is in-place; and (v) the area is free from any encumbrances. No civil works will be undertaken in the area where the primary school is located and where the road connecting Naroman and Beto Tasi exists.

2.2.6. Impact on Vulnerable Households

35. The IOL results indicated among the 251 AHs (1,309 APs), 112 households (726 persons) are categorized as VAHs. These VAHs include 91 households (620 persons) who fall into one vulnerability category; 15 households (76 persons) who fall into two vulnerability categories; five (05) households (29 persons) that fall into three vulnerability groups and one household (1 person) that falls into four vulnerability groups. Among these VAHs, 81 households (526 APs) are poor⁷; 18 households (98 APs) are female-headed households with dependents; 9 households (55 APs) are headed by the elderly with no other means of support; and four (4) households (47 APs) are headed by the disabled people with no other means of support. None of the AHs are landless household or ethnic minority households. The number of VAHs disaggregated by vulnerability group is presented in Table 19.

36. Table 17 below shows the number of VAHs by severity of impact. Among 112 VAHs, there are 32 households (172 persons) who will lose 10% or more of total production landholding/income-generating asset of the household; and 80 households (554 persons) will be required to relocate to other places.

Table 17: Number of Vulnerable Affected Households by Severity of Impact

Aldeias		VAHs who will lose 10% or more of total production landholding/income-generating assets of the household	VAHs who will be required to relocate to another place	Total no. of VAHs
Anin fuik	No. of AHs	3	9	12
	No. of APs	25	46	71
Beto Tasi	No. of AHs	29	43	72
	No. of APs	147	289	436
Loromata	No. of AHs		4	4
	No. of APs		34	34
Naroman	No. of AHs		24	24
	No. of APs		185	185
Total	No. of AHs	32	80	112

⁷ The "Poverty in Timor-Leste 2014" published by Government of Timor-Leste in cooperation with the World Bank provides a detailed assessment of the methodological approaches and headline poverty results from the Timor-Leste Survey of Living Standards. It estimates the consumption-based poverty line which is the sum of three components: 1) the food poverty line; 2) the rental poverty line; and 3) the non-food non-rent poverty line. The poverty line of 2014 was estimated at USD 46.37 per capita per month in the entire Timor-Leste and USD 56.16 in Dili. Dili is the highest because it is the most urbanized district reflecting its higher cost of living. The poverty threshold is still applicable in 2021 as confirmed by the Government.

Aldeias		VAHs who will lose 10% or more of total production landholding/income-generating assets of the household	VAHs who will be required to relocate to another place	Total no. of VAHs
	No. of APs	172	554	726

Source: Inventory of Losses results, February 2023

Table 18: Number of Vulnerable Affected Households

Aldeias		Households who fall into one vulnerability group	Households who fall into two vulnerability groups	Households who fall into three vulnerability groups	Households who fall into four vulnerability groups	Total
Anin fuik	No. of AHs	9	2	1		12
	No. of APs	58	7	6		71
Beto Tasi	No. of AHs	59	9	3	1	72
	No. of APs	386	36	13	1	436
Loromata	No. of AHs	4				4
	No. of APs	34				34
Naroman	No. of AHs	19	4	1		24
	No. of APs	142	33	10		185
Total	No. of AHs	91	15	5	1	112
	No. of APs	620	76	29	1	726

Source: Inventory of Losses results, February 2023

Table 19: Number of Vulnerable Households by the Vulnerability Category

Aldeias		Poor households	Female-headed households with dependents	Households headed by the elderly with no other means of support	Households headed by the disabled with no other means of support	Total ⁸
Anin fuik	No. of AHs	7	2	2	1	12
	No. of APs	42	15	10	4	71
Beto Tasi	No. of AHs	50	14	6	2	72

⁸ A household falling into more than one vulnerability group is counted once.

Aldeias		Poor households	Female-headed households with dependents	Households headed by the elderly with no other means of support	Households headed by the disabled with no other means of support	Total ⁸
	No. of APs	330	57	37	12	436
Loromata	No. of AHs	4				4
	No. of APs	34				34
Naroman	No. of AHs	20	2	1	1	24
	No. of APs	120	26	8	31	185
Total	No. of AHs	81	18	9	4	112
	No. of APs	526	98	55	47	726

Source: Inventory of Losses results, February 2023

2.2.7. Impacts on Fishing Livelihood

37. Expansion of the runway toward the sea would acquire approximately 1.59 ha of the sea. There are 60 fishermen who carry out fishing in the area, depending on the weather – these fishermen are not included in the total 251 AHs who will have land acquired by the Project as indicated in Table 1. However, (i) the affected sea area is only approximately 1.59 ha – not a big area of sea; (ii) the surrounding sea areas, including the areas closer to the shore are also used for fishing. Furthermore, according to the results of the focus group discussion (FGD) conducted with the fishermen in the area by the Social Safeguards Team in February 2023, they can easily go to the surrounding areas for fishing. Also, the fishermen confirmed that the fish they catch in the area is not unique and can be caught also in the surrounding areas. Therefore, the Project proposed for ADB financing (Stage 1) will not affect fishing activities of local communities nor the parking areas used by locals for their boats.

2.2.8. Other Impacts

38. Impacts during expansion of the PNLIA, including temporary impacts on land for setting up labor camps and storing of construction materials will be determined during the implementation phase. When the construction contractors for the Project are mobilized, construction methods and solutions will be finalized together IPMU, Construction Supervision Consultant (CSC), and local authorities in consultation with local communities. At that time, any construction-related and temporary impacts will be identified and addressed in line with the Project resettlement policy and environmental management plans.

39. Any new APs that are found from any component of the Project during construction shall be entitled to the same or upgraded entitlements as those of the APs covered by this ULACSP. None of the entitlements provided under this ULACSP can be downgraded. Unanticipated impacts not included in the ULACSP, if any, will be covered in an LACSP addendum that will be submitted to and cleared by ADB.

3. SOCIO-ECONOMIC INFORMATION AND PROFILE

3.1. Socio-economic Information of Project Area

40. The proposed Project is located in four (4) aldeias including Beto Tasi, Anin Fuik, Loromatan and Naroman of Madohi Suco, Dom Aleixo Administrative Post of Dili Municipality. This section presents the socio-economic conditions of Madohi Suco. Key socio-economic indicators presented for the project area include population, employment, income, livelihood, living conditions and access to public facilities.

Population

41. Dili Municipality is located in the north coast of Timor Leste, bordered by the municipalities of Liquica in the west, Manatuto in the east, and Aileu in the south. It consists of the National capital Dili and six (6) administrative posts of Nain Feto, Vera Cruz, Dom Aleixo, Cristo Rei, Metinaro (all coastal) and Atauro Island. Madohi is one of the sucos of Dom Aleixo administrative post. According to the data provided by Madohi Suco Administrative Office (Table 20), the total population of the suco was 23,547 as of 2020 and there were 4,643 households. Thus, the average household size in the suco was 5.1 persons per household. Gender distribution in Madohi was not equal, with male population 2.4% lower than female population (51.2% female and 48.8% male).

Table 20: Population of Madohi Suco

Area		Population			No. of Households	Household size (persons/household)
		Male	Female	Total		
Madohi	Number	11,477	12,070	23,547	4,643	5.1
	%	48.8	51.2	100.0		

Source: Madohi Suco Administrative Office

Employment

42. Table 21 shows the working age population and the proportions of employed people and unemployed people. The working age population accounted for 46.4% of total population of the suco. It is noted that the almost two-thirds of the working age were male (accounting for 62.9%) while the remaining proportion of the working age population were female at 37.1%. A small percentage of the population (1.7%) was unemployed – the rate was much lower than the unemployment rates of Dom Aleixo Administrative Post and of Dili Municipality (4.2% and 11.3%, respectively).

Table 21: Working Age Population and Employment Status of Madohi Suco

Area		Working Age Population			Employment Status	
		Male	Female	Total	Employed	Unemployed
Madohi	Number	6,870	4,050	10,920	10,734	186
	%	62.9	37.1	100.0	98.3	1.7

Source: Madohi Suco Administrative Office

Income and Livelihood

43. In 2018, average income per capita of Madohi suco was USD 1,500 per year. This was a bit lower compared to that of the whole Dili Municipality (USD 1,773.4 per person per year). At present, local people have different sources of income including farming, fishing, doing small businesses, and working as government employees and hired laborers. According to the result of FGDs with local people, fishery is the most important occupation in Beto Tasi aldeia – the aldeia is located in the north of the current runway. Most households in the aldeia are engaged in coastal fishery for which fishery license is not required. There is no organization of fishermen in the area. Residents in the aldeia are also engaged in vegetable cultivation and palm plantation to make a living. Inhabitants living in three aldeias including Terra Santa, Anin Fuik, and Loromatan Beto Timur located in the south of the current runway are mainly engaged in operating small business and cultivating crops on a small scale.

Living Conditions

44. As reported by Madohi Suco Administrative Office, 100% of the households in the suco sourced electricity from the national grid for lighting and use tap water or water from dug wells or drilled wells. 100% of sanitary facilities are in hygienic condition.

Access to Public Facilities

45. Regarding access to public services, local residents have easy access to public facilities such as schools, health establishments, markets and the suco headquarter. There is a primary school, a secondary school and a high school located within a radius of one kilometer. Local markets located in the suco are assessed to meet the basic food needs of local people. The average distance which local people have to travel from their houses to the nearest markets ranges from 0.5 km to 1 km. People often go to Comoro Community Health Clinic which is located about 1km far from Madohi suco and provides basic healthcare services, vaccination services for babies, and maternity care services while they can go to the National Hospital in Bidau for further health examination and health treatment. The observations during the fieldwork indicate that Beto Tasi aldeia is connected with the southern part of the runway by a road which is located in just beside the eastern end of the runway and included in the airport area.

Table 22: Average Distances to the Nearest Public Facilities

Clinic	Hospital	Primary school	Secondary school	High school	Market	Suco headquarter
1 km	5 km	0.5 km – 1km	1 km	1 km	0.5 km – 1 km	0.8 km

Source: Madohi Suco Administrative Office

3.2. Socio-economic Information of Affected Households

46. Alongside the IOL, socioeconomic information was obtained via a census in November-December 2020 using household questionnaires, and updated in September 2022. A total of 247 AHs were surveyed while the four (4) AHs were absent during the census conducted in September 2022. The census was supplemented with five (5) FGDs with local fishermen, villagers living in Beto Tasi where the access road will be closed due to land acquisition for the Project, teachers and parents whose children are studying at the affected school, affected business owners, AHs with land in disputes, relocation households, AHs who live on the affected land owned by their relatives, and other AHs. In

addition to the census and FGDs, secondary data of the project aldeias and Madohi suco as well as Dili municipality was also collected for analysis.

47. Table 23 shows the number of surveyed AHs and APs covered in the census in each aldeia. It is noted that that none of the AHs belong to ethnic minorities - they are all the majority ethnic group in Timor-Leste (the *Tetum*).

Table 23: Number of Surveyed Households Covered in the Census

Aldeias	Vulnerable Affected Households		Non-Vulnerable Affected Households		Total Surveyed Households	
	Household	Person	Household	Person	Household	Person
Anin Fuik	12	71	7	10	19	81
Beto Tasi	72	436	111	428	183	864
Loromata	4	34	1	0	5	34
Naroman	24	185	16	94	40	279
Total	112	726	135	532	247	1,258

Source: Census, September 2022

48. The following sections provide a detailed socio-economic profile of the 247 surveyed households. Key socio-economic indicators for the AHs include:

- Population
- Education level
- Labor, occupation and income
- Asset ownership
- Basic infrastructure
- Community Health
- Poverty
- Labor division

3.2.1. Population

49. Table 24 shows data associated with household sizes and gender distribution of the surveyed households. The census covered 247 out of 251 the households affected by land acquisition for the Project (stage 1), including 19 households from Anin Fuik, 183 households from Beto Tasi, 5 households from Loromata, and 40 households from Naroman. There are 1,258 members living in the 247 surveyed households. The average household size of the surveyed households is 5.1 persons per household. Of the household sizes across the affected aldeias, Naroman is the highest average household size at 7.0 persons/household. Gender distribution of the surveyed households records a similar breakdown with slightly more males (at 45.4%) than males (at 54.6%).

Table 24: Households Sizes and Gender Distribution of Surveyed Households

Aldeias	No. of surveyed households	No. of APs			Household size (persons per household)
		Male	Female	Total	

Aldeias	No. of surveyed households	No. of APs			Household size (persons per household)
		Male	Female	Total	
Anin Fuik	19	51	30	81	4.3
Beto Tasi	183	368	496	864	4.7
Loromata	5	10	24	34	6.8
Naroman	40	142	137	279	7.0
Total	247	571	687	1,258	5.1

Source: Census, September 2022

50. Among the surveyed households, 26 households are headed by females and 221 households are headed by males. The majority of the surveyed household heads (83.8%) fall within the age group of 15 to 59 years old. The remaining household heads (16.2%) are at the age of 60 and above. Table 25 below shows the age distributions of heads of the AHs.

Table 25: Age Distribution of the Heads of Affected Households

Aldeias	Gender	Age Groups			Total No. of Surveyed Household Heads
		Under 15	15-59	60 and above	
Anin Fuik		-	17	2	19
	Male	-	14	1	15
	Female	-	3	1	4
Beto Tasi		-	148	35	183
	Male	-	138	24	162
	Female	-	10	11	21
Loromata		-	5	-	5
	Male	-	5	-	5
	Female	-	-	-	-
Naroman		-	37	3	40
	Male	-	37	2	39
	Female	-	-	1	1
Total		-	207	40	247
	Male	-	194	27	221
	Female	-	13	13	26

Source: Census, September 2022

51. Table 26 below shows the age distribution of the surveyed household members, including children and young adolescents (14 years old and under), working age population (15-59 years old), and elderly population (60 years old and above). Across the four affected aldeias, the proportion of the working age population accounts for 61.4%, whilst those of the children and young adolescent group and aged population represent at 33.2% and 5.4%, respectively. The dependency ratio is calculated at 0.63 which means that there are 63 dependent persons per every 100 working-age persons. The dependency ratio of the surveyed persons was 0.52% lower than the ratio of Madohi (115 dependent persons per 100 working-age persons). Table 26 below further shows a summary of targeted age distribution groups by gender. The numbers of males are slightly lower than those of females in both working age population and the elderly. In contrast, the number of females is marginally lower than that of males in the children and young adolescents group.

Table 26: Age Distribution of Surveyed Household Members

Aldeia	Gender	Under 15		15-59		60 and above	
		Number	%	Number	%	Number	%
Anin Fuik		27	33.3	49	60.5	5	6.2
	Male	19	37.3	30	58.8	2	3.9
	Female	8	26.7	19	63.3	3	10.0
Beto Tasi		290	33.6	521	60.3	53	6.1
	Male	121	32.9	222	60.3	25	6.8
	Female	169	34.1	299	60.3	28	5.6
Loromata		15	44.1	18	52.9	1	2.9
	Male	4	40.0	6	60.0		0.0
	Female	11	45.8	12	50.0	1	4.2
Naroman		86	30.8	184	65.9	9	3.2
	Male	49	34.5	90	63.4	3	2.1
	Female	37	27.0	94	68.6	6	4.4
Total		418	33.2	772	61.4	68	5.4
	Male	193	33.8	348	60.9	30	5.3
	Female	225	32.8	424	61.7	38	5.5

Source: Census, September 2022

3.2.2. Education Level

52. The census results recorded different levels of education attained by the surveyed household heads (Table 27). Among the surveyed household heads, nearly one-third of the surveyed household heads (30.0%) completed high school. Approximately 24.7% of the surveyed household heads are primary school graduates, followed by those who are illiterate and those did not finish primary level at 20.2%. The census results also indicated

that 13.8% of the surveyed household heads completed secondary education and a fair number of the household heads (11.3%) finished higher education. There are some significant differences between the education levels of male household heads and those of female household heads. More than a half of female household heads (53.8%) are illiterate or did not graduate from primary schools while the rate of the male household heads is 16.3%.

Table 27: Education Level of the Heads of the Surveyed Households

Aldeias	Gender	Illiteracy or not finish primary education		Primary		Secondary		High school		Higher education	
		Number	%	Number	%	Number	%	Number	%	Number	%
Anin Fuik		5	26.3	5	26.3	1	5.3	5	26.3	3	15.8
	Male	3	20.0	5	33.3	1	6.7	3	20.0	3	20.0
	Female	2	50.0		-		-	2	50.0		-
Beto Tasi		40	21.9	51	27.9	26	14.2	54	29.5	12	6.6
	Male	28	17.3	46	28.4	24	14.8	52	32.1	12	7.4
	Female	12	57.1	5	23.8	2	9.5	2	9.5		-
Loromata			-	2	40.0	2	40.0	1	20.0		-
	Male		-	2	40.0	2	40.0	1	20.0		-
	Female										
Naroman		5	12.5	3	7.5	5	12.5	14	35.0	13	32.5
	Male	5	12.8	3	7.7	4	10.3	14	35.9	13	33.3
	Female					1	100.0				-
Total		50	20.2	61	24.7	34	13.8	74	30.0	28	11.3
	Male	36	16.3	56	25.3	31	14.0	70	31.7	28	12.7
	Female	14	53.8	5	19.2	3	11.5	4	15.4	0	-

Source: Census, September 2022

3.2.3. Labor, Occupation and Income

53. Table 28 below shows the status of employment among the surveyed APs aged 15 and above. Among the 840 people aged 15 and over, 39.0% or 328 persons are employed, 4 persons or 0.5% are unemployed and the remaining 508 persons or 60.5% are students, housewives and the elderly. The unemployment rates of the male population and female population are 0.8% and 0.2%, respectively. Men and women are not represented equally in the labor force. The rate of the employed male population is rather high compared to that of the employed female population. The census revealed that the main reason for the women not participating in the labor force is that they have primary responsibility for taking care of their children and doing housework.

Table 28: Employed People and Unemployed People Among Those Aged 15 Years Old and Over

Aldeias	Gender	Total no. of people aged 15 years old and above	of which					
			Employed people		Unemployed people		Economically inactive population	
			Number	%	Number	%	Number	%
Anin Fuik		54	24	44.4	3	5.6	27	50.0
	Male	32	20	62.5	2	6.3	10	31.3
	Female	22	4	18.2	1	4.5	17	77.3
Beto Tasi		574	231	40.2	1	0.2	342	59.6
	Male	247	163	66.0	1	0.4	83	33.6
	Female	327	68	20.8			259	79.2
Loromata		19	16	84.2	0	-	3	15.8
	Male	6	5	83.3			1	16.7
	Female	13	11	84.6			2	15.4
Naroman		193	57	29.5	0	-	136	70.5
	Male	93	46	49.5			47	50.5
	Female	100	11	11.0			89	89.0
Total		840	328	39.0	4	0.5	508	60.5
	Male	378	234	61.9	3	0.8	141	37.3
	Female	462	94	20.3	1	0.2	367	79.4

Source: Census, September 2022

54. Regarding occupation, the census results showed that employed household members are engaged in a variety of occupations, including farmers, hired farm laborers, hired non-farm laborers, fishermen, traders, Government employees, employees working in private companies, and others. Table 29 presents the main occupation of the employed

people in the surveyed households. Of 328 employed household members, the most common occupation is farming, accounting for 29.0% of total employed persons. This is followed by Government employees (15.2%), traders (14.3%), and fishermen (12.5%). Employees working for private companies and hired laborers represent 0.3% and 10.1% of the total employed household members, respectively. Besides, 88 out of 328 employed people reported that they are also engaged in secondary occupations (refer to Table 31 for more details).

Table 29: Main Occupation of Employed Household Members

		Farmers	Hired farm laborers	Hired non-farm laborers	Fishermen	Traders	Gov Employees	Employees in private companies	Others	Total
Anin Fuik		6	2	0	4	2	2	0	8	24
	Male	5	1		4	1	2		7	20
	Female	1	1			1			1	4
Beto Tasi		81	11	12	36	29	25	1	36	231
	Male	53	4	9	36	15	21	1	24	163
	Female	28	7	3	0	14	4	0	12	68
Loromata		2	2	2	0	4	5	0	1	16
	Male	0	2	1	0	0	1	0	1	5
	Female	2	0	1	0	4	4	0	0	11
Naroman		6	1	3	1	12	18	0	16	57
	Male	4	1	2	1	8	14	0	16	46
	Female	2	0	1	0	4	4	0	0	11
Total		95	16	17	41	47	50	1	61	328
	Male	62	8	12	41	24	38	1	48	234
	Female	33	8	5	0	23	12	0	13	94

Source: Census, September 2022

55. The data showed that households whose main income source is from farming are dominant in all four affected aldeias, occupying 37.2% of total surveyed households. Nearly one-third of total surveyed households (31.2%) depend on salary or wages. Earnings from doing business is the main income source of 10.9% of the surveyed households. A fair percentage - 16.2% of the households are engaged in fishing as the main income source and most of them are residents in Beto Tasi aldeia. The main income sources of the surveyed households are presented in Table 30 below.

Table 30: Primary Household Income Source

Aldeias	Salary/wage		Farming		Fishing		Earnings from doing business		Allowance from Government		Others		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Anin Fuik	7	36.8	6	31.6	1	5.3	3	15.8	2	10.5		-	19	100.0
Beto Tasi	38	20.8	78	42.6	38	20.8	22	12.0	1	0.5	6	3.3	183	100.0
Loromata	2	40.0	3	60.0		-		-		-		-	5	100.0
Naroman	30	75.0	5	12.5	1	2.5	2	5.0	1	2.5	1	2.5	40	100.0
Total	77	31.2	92	37.2	40	16.2	27	10.9	4	1.6	7	2.8	247	100.0

Source: Census, September 2022

56. The table below presents the data associated with the numbers and proportions of surveyed households having at least one secondary income source across the four aldeias. According to the census, 88 out of 247 households (accounting for 35.6%) mentioned that they had more than one job to make their living. Of 88 households, there are none of households coming from Loromata aldeia, the proportion of households from Naroman aldeia is the lowest, accounting for 27.5% whereas those from Beto Tasi and Anin Fuik represent at 38.0% and 35.0%, respectively. The households having at least one secondary income source from fishing account for the highest proportion at 44.3%.

Table 31: Number of Surveyed Households Engaged in At Least One Secondary Income Source

Aldeias	Salary/wage		Farming		Earnings from doing business		Allowance from Government		Others		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Anin Fuik		-	3	42.9	1	14.3		-	3	42.9	7	100
Beto Tasi	21	30.0	34	48.6	7	10.0	1	1.4	7	10.0	70	100
Naroman	4	36.4	2	18.2	4	36.4		-	1	9.1	11	100
Total	25	28.4	39	44.3	12	13.6	1	1.1	11	12.5	88	100

Source: Census, September 2022

57. The median household income of the surveyed households within the four aldeias is USD 627.4/household/month. Based on the amount of household incomes provided by the surveyed households, different ranges of income levels were calculated, including: (i) less than USD 333.6; (ii) between USD 333.6 and USD 778.3; and (iii) more than USD 778.3. The different income ranges are established based on poverty factors and living standards of the project area. Of the 247 surveyed households, 81 households have their household income less than USD 333.6, accounting for 32.8%. This household group is considered as having low income. Approximately 44.9% of the surveyed households who have the monthly household income varying from USD 333.6 to USD 778.3 are considered as middle-income households. The remaining 55 households, representing at 22.3% have their monthly income more than USD 778.3. Table 32 below shows the monthly household income and household income ranges of the surveyed households in each project aldeia.

Table 32: Average Monthly Income Levels and Income Ranges of the Surveyed Households

Aldeias	Monthly Household Income Ranges						Average monthly household income (USD per household per month)
	< USD 333.6		USD 333.6 - USD 778.3		> USD 778.3		
	Number	%	Number	%	Number	%	
Anin Fuik	7	36.8	7	36.8	5	26.3	713.5
Beto Tasi	50	27.3	89	48.6	44	24.0	658.7
Loromata	4	80.0	1	20.0	0	-	195.5
Naroman	20	50.0	14	35.0	6	15.0	497.6
Total	81	32.8	111	44.9	55	22.3	627.4

Source: Census, September 2022

58. Table 33 provides information on the average monthly household income by income source and shows that doing business was reported to bring the highest average monthly income of the surveyed households with average of USD 683.9/household/month. This income level is approximately 2.5 times higher than that gained from farming. The second highest average monthly income belongs to those engaged in fishing as the main income source with USD 450.0/household/month. The group of the households depending on wages generated from working as daily hired laborers has the lowest average median monthly income at USD 227.5/household/month.

Table 33: Average Monthly Household Income by Income Source

Income sources	Average household income (USD per household per month)
Income from Agriculture	275.1
Income from Trade/Service	683.9
Income from Wage	227.5
Income from Salary	378.0
Income from Fishing	450.0

Source: Census, September 2022

59. Regarding expenditures, on average the surveyed households spend USD 455.6 per household per month. Table 34 illustrates the average monthly expenditure of the surveyed households by category. Household expenses include, for instance, food, education, healthcare, transport, water and electricity bills, funeral and dowry, clothes, and other miscellaneous household items. The data showed that food is the highest expenditure category, accounting for 25.1% of the surveyed households' expenses. The second highest expense is for funeral and dowry (25.6%), followed by education expenses with 14.3%. The proportion of water and electricity bills is 9.6% while spending on transportation contributes 8.8% of the total household expenditure. The remaining expense categories (including health, communication, and miscellaneous items) attribute to 7.5%, 7.4%, and 1.7% of the total average monthly expenditure of the surveyed households, respectively.

Table 34: Average Monthly Expenditure of Surveyed Households by Category

Income sources	Average proportion among total monthly household expenditure (%)
Food	25.1
Funeral and dowry	25.6
Education	14.3
Water and electricity bills	9.6
Transportation	8.8
Health	7.5
Communication	7.4
Others	1.7

Source: Census, September 2022

3.2.4. Housing and Asset Ownership

60. Table 35 below presents different types of houses owned by the surveyed households. The census outcomes and observations during the fieldwork indicate that most houses owned by the households are one-storey houses, accounting for 72.9%, followed by two-storey houses with 19.8%. Only 6.1% and 1.2% of the households reside in temporary houses with thatch roofing and house on stilts, respectively.

Table 35: Types of Houses Owned by Surveyed Households

Aldeias	Temporary house		House on stilts		One- storey house		Two-storey house	
	Number	%	Number	%	Number	%	Number	%
Anin Fuik	1	5.3		-	18	94.7		-
Beto Tasi	14	7.7		-	120	65.6	49	26.8
Loromata		-		-	5	100.0		-
Naroman		-	3	7.5	37	92.5		-

Aldeias	Temporary house		House on stilts		One- storey house		Two-storey house	
	Number	%	Number	%	Number	%	Number	%
Total	15	6.1	3	1.2	180	72.9	49	19.8

Source: Census, September 2022

61. Table 36 presents the ownership of household assets of the surveyed households. A majority of surveyed households own basic home assets, such as televisions, radios, mobile phones for communication and access to information, motorcycles and bicycles for transportation; electric cookers for cooking, and refrigerators for food preservation. A few households own high-value assets such as cars or trucks (10.9% of the surveyed households owning cars and 0.8% owning trucks). Of the 247 surveyed households, 239 households, accounting for 96.8%, use handphones for ease of communication.

Table 36: Asset Ownership

Types of assets	Surveyed households owning at least one item	
	Number	%
Motorbike	172	69.6
Bicycle	72	29.1
Car	27	10.9
Boat	20	8.1
Ship	2	0.8
Truck	2	0.8
Generator	8	3.2
Pumping machine	53	21.5
Radio	134	54.3
Television	187	75.7
DVD player	100	40.5
Telephone (land line)	5	2.0
Mobile (smart) phone	239	96.8
Electric fan/air conditioner	141	57.1
Washing machine	33	13.4
Refrigerator	110	44.5
Electric cooker	167	67.6

Source: Census, September 2022

3.2.5. Basic Infrastructure

62. A large majority of surveyed AHs (96.4%) use water from drilled wells as their primary source of water. The remaining households use water from dug wells, in-house tap water and public tap water, accounting for 3.6% in total.

Table 37: Main Source of Domestic Water

Aldeias	Dug well		Drilled well		Public tap water		In house tap water	
	Number	%	Number	%	Number	%	Number	%
Anin Fuik		-	19	100.0		-		-
Beto Tasi	1	0.5	178	97.3	2	1.1	2	1.1
Loromata		-	5	100.0		-		-
Naroman	1	2.5	35	87.5	2	5.0	2	5.0
Total	2	0.8	237	96.0	4	1.6	4	1.6

Source: Census, September 2022

63. All surveyed households use electricity for lighting. A large majority of surveyed AHs (93.9%) also use electric power for cooking while 5.7% use firewood as their main energy source. Only one surveyed household in Naroman aldeia use coal as the main power source for cooking.

Table 38: Sources of Energy

Aldeias	Electricity		Coal		Firewood	
	Number	%	Number	%	Number	%
Anin Fuik	16	84.2			3	15.8
Beto Tasi	176	96.2			7	3.8
Loromata	3	60.0			2	40.0
Naroman	37	92.5	1	2.5	2	5.0
Total	232	93.9	1	0.4	14	5.7

Source: Census, September 2022

64. Most surveyed households (95.1%) have pit latrines, while 2.4% use septic tank latrines. A small percentage (1.6%) still has no access to toilet facilities and these households are sharing toilets with their neighbors or their relatives who live nearby.

Table 39: Type of Toilets

Aldeias	Pit latrine		Septic tank latrine		None		Others	
	Number	%	Number	%	Number	%	Number	%
Anin Fuik	18	94.7	-	-	1	5.3	-	-

Aldeias	Pit latrine		Septic tank latrine		None		Others	
	Number	%	Number	%	Number	%	Number	%
Beto Tasi	179	97.8	-	-	2	1.1	2	1.1
Loromata	5	100.0	-	-	-	-	-	-
Naroman	33	82.5	6	15.0	1	2.5	-	-
Total	235	95.1	6	2.4	4	1.6	2	0.8

Source: Census, September 2022

65. Table 40 shows the average distance from the houses of the surveyed households to the nearest public facilities. As mentioned in the Paragraph 45, primary schools and medical service units and pharmacy facilities are available within Madohi Suco while secondary schools, hospitals, center markets, commercial banks, stores of fertilizer and agricultural inputs are located in the centre of Dom Aleixo Administrative Post.

Table 40: Average Distance to the Nearest Public Facilities

Aldeias	Average Distance to the Nearest Public Facilities (KM)								
	Comm unity Health Centre	Health Sub- centre	Primar y school	Secon dary school	High school	Commerc ial banks, credit services	Store of fertilizer and agricultur al inputs	Bus terminal	Market
Anin Fuik	5.0	2.6	0.9	4.3	4.8	4.0	6.1	6.4	4.0
Beto Tasi	5.0	4.0	0.1	5.0	4.0	4.0	5.0	8.0	4.0
Loromata	5.0		0.4	4.0	5.0	4.0	4.0	8.0	4.0
Naroman	4.1	3.1	0.6	3.9	3.6	3.3	3.8	5.7	3.3
Average	4.9	3.8	0.3	4.7	4.0	3.9	4.9	7.5	3.9

Source: Census, September 2022

3.2.6. Community Health

66. As part of the census, general health status information was also obtained. It is reported that surveyed household members suffered from a few minor and major diseases in the last 12 months. The diseases are categorized into seven groups including respiratory diseases, digestive diseases, dermatological diseases, cardiovascular diseases, neuropathy, osteoarthritis, and others. As shown in the table below, the surveyed household members suffered from respiratory diseases (51.8%), digestive diseases (33.6%) and dermatological diseases (16.6%). Other diseases were recorded at low percentages (9.2% in total).

Table 41: Common Diseases Encountered by Surveyed Household Members in the Last 12 Months

Aldeias	Respirator y diseases	Digestive diseases	Dermatolo gical diseases	Cardiovasc ular diseases	Osteoarthri tis	Neuropath y	Others
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	Cases	%	Cases	%	Cases	%	Cases	%	Cases	%	Cases	%	Cases	%
Anin Fuik	10	50.0	2	10.0	-	-	-	-	1	0.1	2	0.1	-	-
Beto Tasi	101	55.2	68	37.2	33	18.0	24	1.7	26	1.8	6	0.4	10	5.5
Loromata	4	100.0	-	-	-	-	-	-	-	-	-	-	-	-
Naroman	13	32.5	13	32.5	8	20.0	3	0.2	4	0.3	1	0.1	1	2.5
Total	128	51.8	83	33.6	41	16.6	27	1.9	31	2.2	9	0.6	11	4.5

Source: Census, September 2022

67. There are various health establishments within or nearby the suco where surveyed households can seek medical treatment and health advice. As mentioned in Paragraph 45, for various treatments, 88.3% of the surveyed households who are living in the affected aldeias usually visit Comoro community health centre which provides external consultations supported with a simple laboratory, maternity-related services (including antenatal and postnatal care), vaccinations family planning, and hygiene and health awareness promotion. Approximately 62.8% of the surveyed households visit National hospital in Bidau or private clinics for further health examination and treatment of serious diseases. Some households also sometimes seek minor medical advice from village-level integrated posts or herbalists.

Table 42: Types of Health Establishments Surveyed Households often Visit

Aldeia	Community Health Centre		Hospital		Village-level integrated posts		Private clinics		Herbalists	
	Number	%	Number	%	Number	%	Number	%	Number	%
Anin Fuik	19	100	3	15.8	-	-	2	10.5	-	-
Beto Tasi	162	88.5	151	82.5	17	9.3	149	81.4	-	-
Loromata	5	100	-	-	-	-	-	-	-	-
Naroman	32	80	1	2.5	1	2.5	3	7.5	1	2.5
Total	218	88.3	155	62.8	18	7.3	154	62.3	1	0.4

Source: Census, September 2022

3.2.7. Poverty

68. Among the surveyed households, 81 households (constituting 32.8% of total surveyed households) are categorised as poor households⁷ including 75 male-headed households and 6 female-headed households. The average monthly household income of the poor households is only USD 203.7 per household per month, which is much lower than that of non-poor households with USD 752.1 per household per month. The poor households stated during the census that one of the reasons for their poverty is that they have large households with 6.5 persons per household while the number of family members contributing income is small. A large majority of poor households (86.5%) has only one person earning income, which means that this one person has to shoulder the

heavy economic burden of the household. Moreover, four poor households have family members with disabilities.

Table 43: Number of Poor and Non-poor Households Among the Surveyed Households

Aldeias	Poor households		Non-Poor households		Total	
	Number	%	Number	%	Number	%
Anin fuik	7	36.8	12	63.2	19	100.0
Beto Tasi	50	27.3	133	72.7	183	100.0
Loromata	4	80.0	1	20.0	5	100.0
Naroman	20	50.0	20	50.0	40	100.0
Total	81	32.8	166	67.2	247	100.0

Source: Census, September 2022

3.2.8. Labor Division

69. It was reported during the census that most of the household decision-making of the surveyed households regarding purchasing daily necessities, purchasing goods, sending children to school, job changes/having jobs, having access to credit tend to be made by both men and women. Men and women participate in community meetings and local organizations depending on their availability. Table 44 shows the reported gender division of labour within the surveyed households.

Table 44: Percentage of Male and Female Members Participating in Activities of the Surveyed Households

Activities		Both	Female	Male	Total
Participating in community meetings	Number	88	66	93	247
	%	35.6	26.7	37.7	100.00
Participating in local organizations	Number	88	69	90	247
	%	35.6	27.9	36.5	100.00
Purchasing daily necessities	Number	88	68	91	247
	%	35.6	27.5	36.9	100.00
Purchasing goods	Number	155	54	38	247
	%	62.8	21.9	15.3	100.00
Sending children to school	Number	161	33	44	238
	%	67.6	13.9	18.5	100.00
Job changes/ having jobs	Number	166	9	72	247
	%	67.2	3.6	29.2	100.00
Having access to credits	Number	172	11	64	247

Activities		Both	Female	Male	Total
	%	69.6	4.5	25.9	100.00

Source: Census, September 2022

70. The implementation of the Project could have differential impacts on men and women. It was recorded during FGDs with affected women that women are often more vulnerable than men in adapting to situations of land acquisition and resettlement as well as change of livelihood. Further gender analysis will be presented in a stand-alone Gender Action Plan. The strategy to ensure LAR implementation is responsive to the needs of women APs is in Section 7.2.

4. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION

4.1. Objectives of Consultation and Participation

71. Objectives of the public consultations and participation of local people include: (i) ensuring the participation of APs and local community in the design, preparation and decision-making for the project; (ii) disseminating information on all Project activities to affected persons; (iii) collecting the ideas, concerns, needs or priorities of affected persons; (iv) ensuring that all the APs are notified of all the decisions which are related directly to their income and living standards; and, (v) ensuring transparency in implementation of land acquisition, compensation and assistance payment, and relocation.

72. Key project stakeholders include AHs, hamlets and village leaders, local authorities, relevant government agencies (MOPW, MOAF, NDLPCS and others), fishermen in the area and villagers of the project village. The project stakeholders were consulted during IOL, census and preparation of this ULACSP.

4.2. Information Disclosure and Public Consultation during Updated Land Acquisition, Compensation and Support Plan Preparation

73. During preparation of the ULACSP, IMWG supported by social safeguards consultants worked directly with relevant Government agencies, Dili municipality authority, and village and hamlet leaders to conduct four public consultation meetings with local people, including the AHs and villagers at large in October 2020, January 2021, September 2022, and February 2023. The meetings were held in the village meeting halls for the convenience and comfort of meeting participants.

74. The first public consultation meeting was conducted on 26 October 2020 before implementation of the IOL and census of AHs. The information shared and discussed with the meeting participants included (i) the project description, location, design, and expected benefits of the Project; (ii) the Project's potential land acquisition and resettlement (LAR) impacts, and feasible measures to minimize and mitigate LAR impacts; (iii) proposed eligibility and entitlements for project-APs; (iv) the proposed project-level grievance redress mechanism (GRM); (v) indicative schedule for project implementation, including land acquisition and resettlement; (vi) mechanisms for continuing meaningful consultation with and participation of APs, community, and other stakeholders in land acquisition and resettlement planning, implementation and monitoring.

75. The second public consultation meeting was organized on 21 January 2021 after completion of the IOL and census of AHs. In this meeting, IMWG, supported by social safeguards consultants, presented results of resettlement surveys, announced the cut-off-date for eligibility for compensation and support, and discussed the proposed project entitlements with APs and communities. The written announcement of the cut-off-date was posted in accessible public places in aldeias and Madohi suco in the Project area.

76. The third public consultation meeting was held on 19 September 2022 to explain about the results of the IOL and the Government Resolution No. 24/2022 which determines the compensation unit rates for the affected lands, and non-land assets of the Project. The entitlement matrix for the impacts and calculation of compensation for each affected household and for all affected households were delivered to the affected households to review.

77. The fourth public consultation meeting was carried out on 20 February 2023 to consult with APs and local authorities on the provisions of the ULACSP before submission to ADB for review and approval.

78. The entitlement matrix for compensation and assistance for APs, institutional arrangements for land acquisition and resettlement, scope of land acquisition and resettlement impacts, schedule of land acquisition and compensation and support, and the established project-level grievance redress mechanism were included in the PIB and delivered to the stakeholders during the public consultation meetings conducted by the IMWG supported by social safeguards consultants. In addition, the PIB was also posted at the village administrative office and public accessible places so that it was easy for all the APs to come and be made known about the project-related information. In addition, the APs were informed of the procedure for settling of the land title disputes during the public consultation meetings conducted in September 2022 and February 2023. The list of the APs who attended the public consultation meetings and acknowledged receiving the PIB, including the established GRM and the procedure for settling of land title disputes - is attached in Appendix 2, and the delivered PIB to the APs is in Appendix 1.



Figure 4: Posting of PIB and Procedure for Settling of Land Title Disputes in Public Places

79. In December 2022, JCLAC also sent letters to the chiefs of Madohi suco and the project aldeias as well as each AH whose land is in disputes to request the AHs (i) to present the data and relevant documents related to the land plots in disputes, (ii) confirm the latest status of the land plots, and (iii) to lodge complaints following the established GRM and procedure for settling of land title disputes. The letters are attached in Appendix 8 of this ULACSP.

80. A total of 491 people attended the public consultation meetings, of which 131 meeting participants (26.7%) were females and 360 (73.3%) were males. Among the meeting participants, ten (10) representatives of six Non-Governmental Organizations (NGOs) and Community-Based Organizations (CBOs)⁹ attended the public consultation meetings conducted during ULACSP preparation.

81. Eight (8) FGDs were also conducted with 46 persons in February and March 2023; of which, 10 participants were females (21.7%) and 36 were males (78.3%). The FGD participants included local fishermen, villagers living in Beto Tasi where the access road will be closed due to land acquisition for the Project, teachers and parents whose children are studying at the affected school, affected business owners, AHs with land in disputes, relocation households, AHs who live on the affected land owned by their relatives, and AHs who accepted the compensation and assistance packages. Key issues discussed

⁹ The NGOs and CSOs include Land Networks Organization, Provider of Human Rights and Justice, Human Rights Defenders Networks, Institute for Monitoring, Advocacy and Community Strengthening, OXFAM, and CSO working with grassroots and farmers in the project area.

during the FGDs included (i) the impacts of the land acquisition on income and livelihood of the households; (ii) LAR-related concerns of the households; (iii) the preferred compensation and support measures to ensure that the livelihood and standards of living of AHs are improved or at least restored after land acquisition and resettlement; and (iv) the established project-level GRM and the procedure of addressing the land title disputes of the AHs with other individuals or the State. The summary of the conducted FGDs and the lists of the FGD participants are in Appendix 3.

82. Table 45 summarizes the concerns, suggestions, and opinions of the AHs and local authorities on land acquisition and resettlement-related issues of the Project, as expressed during consultations, and how these concerns, suggestions, and opinions have been addressed and incorporated in this ULACSP.

Table 45: Summary of Public Consultation Meetings Conducted During ULACSP Preparation

No	Issues Discussed	Opinions, suggestions, and concerns of local people	Responses to the local people
1	Preliminary design and land acquisition impacts	<ul style="list-style-type: none"> • Expecting the design of the project's components to be shared and consulted with local people. • Boundary demarcation of Stages 1,2,3 should be visible and informed to local people. • Requesting one copy of IOL of the household for all households. • Inquiring about timeline of land acquisition. 	<ul style="list-style-type: none"> • Basic design and detailed engineering design of the project's components will be closely consulted with local people by the design consultants. • Boundary demarcation of stages 1,2,3 is being done with use of wooden-stakes. The stakes/markers will be placed every 50 m along the project boundary and in all turning points. Demarcation is carried out with participation of chiefs of suco and project aldeias and local people, so all local people are aware of the boundaries of the various stages of airport expansion. • Each AH is provided one copy of the IOL of the household to check and confirm the measured impacts. • Tentatively, land acquisition and resettlement activities will commence in 2023. However, the AHs will be informed at least 6 months in advance of actual land acquisition and resettlement activities.
2	Cut-off date	<p>The participants wonder what the cut-off date is and what the principles of the cut-off date are.</p> <p>The participants wonder how the cut-off date is disclosed to AHs.</p>	<ul style="list-style-type: none"> • The cut-off date for this Project is the date that the IOL for all affected land and assets of individuals/households and the census of the AHs were completed – it is 4 December 2020. • The written announcement on the established cut-off-date is posted in public places in the project suco and aldeias. • Any people who settle in the project area after the cut-off date will not be entitled to compensation and assistance under the Project. • The cut-off date was announced publicly by IMWG together with the local authorities and posted in accessible public places such as the public board at Madohi Suco's office and other public places of the project village and hamlets.
3	Compensation and assistance	<p>The APs are concerned about compensation rates for affected land, houses, secondary structures, and trees.</p> <p>Meeting participants inquired when compensation and</p>	<ul style="list-style-type: none"> • Compensation rates will be at full replacement cost. Replacement cost involves replacing an affected asset, including land, at prevailing market rates at the time of its acquisition and include other costs as relevant. Compensation rates have been determined through the replacement cost survey (RCS) which was conducted by an independent and qualified replacement cost appraiser engaged for the purpose in November and December 2021. The results of the RCS were submitted to the Government for review in September 2022. The Government has issued the Resolution on Compensation Unit Rates for affected lands and assets for the Project following the results of RCS. • The ULACSP has been finalized based on the unit rates specified in

No	Issues Discussed	Opinions, suggestions, and concerns of local people	Responses to the local people
		<p>assistance will be provided to the AHs</p> <p>Meeting participants asked how and where the compensation payment will be provided to the AHs.</p> <p>Representatives of AHs wondered if they could participate in the RCS.</p>	<p>the issued Resolution by the Government for affected lands and assets for the Project. Compensation and support will be fully provided before any land acquisition and relocation of physically displaced households. Tentatively, compensation and support will commence in April 2023.</p> <ul style="list-style-type: none"> • Compensation payments will be made to the AHs via bank transfer but cash provision will be upon request of the AHs. • One-time payment will be provided to AHs, not by installments. • Representatives of AHs, heads of project village and hamlet were encouraged to participate in the RCS and share of information with the RCS expert.
4	Relocation	<p>AHs asked if project sponsored relocation site(s) will be constructed to relocate physically displaced households.</p> <p>An AP wondered whether she can rebuild her house on the remaining land if her house is fully affected by the Project.</p>	<ul style="list-style-type: none"> • The Government has decided not to construct a resettlement site to resettle physically displaced households from this Project as failures of moving AHs to the resettlement sites by other projects learnt by the Government. Instead, relocation households will be compensated for affected land and assets by replacement cost, and entitled to relocation assistance for self-relocation. • If households have houses fully affected and they still have adequate land to rebuild their houses, it is likely that the houses can move backwards or move to the side where possible. The households will be provided with (i) compensation for affected land; (ii) compensation for affected structures; (iii) compensation for any income lost during the period of moving the structures backwards or aside; (iv) cash assistance to move the structures backwards.
5	Income restoration program (IRP)	<p>The potential eligible households were satisfied with proposed income restoration program.</p> <p>Is cash provision as an IRP measure?</p> <p>AHs do not have experiences and knowledge to consider the suitable replacement/new livelihoods.</p> <p>A participant recommended that the IRP should be carried out before the AHs are displaced to other places.</p>	<ul style="list-style-type: none"> • An Income Restoration Program will be developed and undertaken by the Project to assist SAHs including relocated households and those who will lose 10% or more of their income-generating asset, and VAHs. • Detailed need assessment of eligible households on the IRP has been conducted during preparation of the ULACSP. • No cash will be provided to the eligible AHs, the IRP eligible AHs will be provided with capacity building measures, access to preferential micro-credits, job placement services, etc. • An International Resettlement Consultant under Capacity Building Consultants will be engaged by the Project to assist the households in analyzing their conditions, skills and resources to develop suitable replacement/new livelihoods and to implement the household's income restoration measures. • The participant was informed that the construction activities of the Project could not commence until (i) compensation and assistance have been paid in full to the AHs and communities; (ii) relocation of

No	Issues Discussed	Opinions, suggestions, and concerns of local people	Responses to the local people
			physically displaced households has been fully completed; and (iv) the IRP for the SAHs and VAHs is in-place.
		One participant had an interest in the financial management training under the IRP as it is good for the affected people to know what the money should be utilized for.	<ul style="list-style-type: none"> The training on how to manage the compensation and assistance money that the AHs receive would be carried out as soon as possible in batches of APs receiving compensation payments.
6	The project-level grievance redress mechanism	The participants agreed with proposed GRM and expected all complaints and grievances would be addressed in a timely manner.	<ul style="list-style-type: none"> The project-level GRM has been established to ensure that any questions and complaints associated with not only compensation and resettlement, but also other issues of the Project are addressed in a timely and satisfactory manner. The time for review and response to grievances is specified in the PIB. Land acquisition and resettlement related grievances/ complaints shall be exempted from all fees related to grievance resolution, including administration fees, charge of courts, and others.
		The participants would like to know the progress of settling the land title disputes of 58 AHs.	<ul style="list-style-type: none"> The Government Grievance Commission has reviewed the cases of land title disputes and will conclude the land title status of the land of the AHs.
		Some participants asked why their land was registered with NCS, but the AHs were not recognized as legal landowners.	<ul style="list-style-type: none"> The AHs were informed that if an AH disagrees with the conclusion of the Government Grievance Commission, the AH can lodge their cases following the established GRM or submit their case directly to the administrative court. While the administrative court is reviewing the case before making decisions, the Project can deposit the payment amount for the households in an escrow account in a bank and land acquisition is allowed by the Project.
7	Implementation schedule of land acquisition and resettlement	The participants agreed with the tentative implementation schedule.	<ul style="list-style-type: none"> The implementation schedule will be updated on a regular basis and informed to local authorities and AHs.
		The project-related information should be disclosed to the AHs and communities.	<ul style="list-style-type: none"> The project-related information will be disclosed to and discussed during consultations with the communities during project implementation. Additionally, project-related documents will be delivered to AHs and communities and posted in accessible public places.
8	Impacts on public assets	Villagers suggested a new school be constructed with a two-storey structure to minimize the land acquisition impacts.	<ul style="list-style-type: none"> The proposed design does not meet the standard education department designs in Timor Leste. Furthermore, given its location close to the runway next to the perimeter fence, this would not be a preferred option in terms of the structure height in relation to the RNW centre line and such design in the location would not be considered.

No	Issues Discussed	Opinions, suggestions, and concerns of local people	Responses to the local people
		The participants wondered how the community could access the land in Beto Tasi for daily activities in the future.	<ul style="list-style-type: none"> A bridge will be constructed to connect Beto Tasi and Naroman instead of the affected road. It has been confirmed by the Government that the road will be maintained to connect the communities until construction of the new bridge has been fully completed and the bridge is put in use.
9	Other issues	Requesting for representatives of NGOs and CBOs to participate in the public consultations.	<ul style="list-style-type: none"> Joint Committee for Land Acquisition and Compensation (JCLAC) invited representatives of NGOs and CBOs in the public consultations and representatives of many NGOs and CBOs participated in the consultation activities of the Project.

Source: IMWG/IPMU/JCLAC, 2020 - 2023

4.3. Disclosure Activities

83. Copies of the PIB in Tetum were provided to the APs through meetings and posted in accessible places including the office of Madohi suco and the houses of the chiefs of the project suco and aldeias during ULACSP preparation. The PIB includes the information on (i) the project description; (ii) potential impacts on land, houses, structures, trees, and other assets of households; (iii) entitlements for compensation, assistance and resettlement; (iv) cut-off date; (v) tentative implementation schedule; (vi) GRM; and (vii) mechanism for continuing consultation with and participation of affected people, communities and other stakeholders in resettlement planning, implementation, and monitoring.

84. Meetings have been organized by IMWG and Joint Committee for Land Acquisition and Compensation (JCLAC) to explain the ULACSP to the local residents in all the project aldeias in October 2022. The ULACSP and all addendums (if any) will be approved by CAFI or Inter-Ministerial Commission (IMC), cleared by ADB and disclosed to AHs and on the ADB's website prior to its implementation. The final ULACSP will also be delivered to relevant agencies (NDLPCS, National Directorate for Housing and Urban Planning, MOP, Ministry of Finance (MOF), administrators of Dom Aleixo Administrative Post and Dili Municipality, etc.). The summary of the final ULACSP will be delivered to all AHs, aldeias and suco leaders and posted in public places of affected aldeias and sucos after ADB clearance of the ULACSP.

4.4. Public Information, Consultation, and Disclosure Activities during the ULACSP implementation

85. The public consultation with the AHs and communities will be carried out continuously during the implementation of the ULACSP. The monitoring reports will be uploaded on ADB website for disclosure and made available at Madohi Suco's office for public access upon request. Table 46 summarizes the roles and responsibilities of the JCLAC, the local administrators and ADB in the implementation of disclosure and consultation activities during implementation of the ULACSP.

Table 46: Roles and Responsibilities for Disclosure, Consultation, and Participation

Activities	Target Audience	Means of Communication	Responsibility	Timing
Disclosure of the ULACSP and ULACSP addendum, if required.	APs Communities in the project area Other stakeholders such as NGOs, CBOs, CSOs	Distribution of updated PIB Posting a translated simplified ULACSP at accessible places. Upload the full ULACSP on ADB website.	JCLAC, IPMU and administrators at aldeia and suco levels with support of CSC. - PIB disseminated by suco administrators - ADB for uploading	Upon approval of the ULACSP and addendum(s) if any
Implementation schedule of ULACSP and civil works	All stakeholders	Village meetings Newspaper, television or radio advertisement	JCLAC, IPMU and Construction Contractor	Ongoing, prior to ULACSP implementation and when there is any significant change in implementation schedule. Advanced

Activities	Target Audience	Means of Communication	Responsibility	Timing
				notification will be given regarding hiring opportunities so local community members have a reasonable lead time to prepare for application.
Compensation disbursement schedule	APs	Notices to individual households	JCLAC, IPMU Administrators at aldeia, suco and administrative post levels	Upon approval regarding compensation budget at least 1 week prior to disbursement
Relocation	Relocated households	Public consultation meetings One-on-one meetings as needed Separate group discussions	JCLAC, IPMU Administrators at aldeia, suco and administrative post levels	Upon completion of compensation disbursements, during LACSP implementation and prior to physical displacement
Income Restoration Program (IRP)	VAHs SAHs including relocated households and those who will lose 10% or more of income-generating assets of the households	Public consultation meetings One-on-one consultation meetings as needed Separate group discussions	JCLAC, IPMU And Administrators at aldeia, suco and administrative post levels with support of Resettlement Consultants under Capacity Building Consultant, CSC	During implementation of ULACSP
Grievance resolution	Complainants	One-on-one meetings Household visits	JCLAC, ANATL Administrators at aldeia, suco and administrative post levels	Ongoing basis throughout project implementation
Disclosure of periodic Internal Monitoring Reports	Public, local authorities, mass organizations, village administrations	Uploaded on ADB website Translated versions made available at Madohi's office for public access upon request	ADB IPMU Administrators at administrative post and municipality levels	Upon submission of periodic monitoring reports by IPMU
Disclosure of periodic External Resettlement Monitoring Reports	Public, local authorities, mass organizations, village administrations	Uploaded on ADB website Translated versions made available at Madohi Suco's offices for public access upon request	ADB IPMU Administrators at administrative post and municipality levels	Upon submission of periodic monitoring reports

ADB = Asian Development Bank; CSC = Construction Supervision Consultant; CSO = Civil Society Organization; DMS = Detailed Measurement Survey; IPMU = Integrated Project Management Unit; IRP = Income Restoration Program; ANATL = Air Navigation Administration of Aviation Timor-Leste ; PIB = Project Information Booklet; CSC = Construction Supervision Consultant; and RCS = Replacement Cost Study.

5. GRIEVANCE REDRESS MECHANISM

5.1. Objective

86. A project grievance is defined as an actual or perceived project-related problem that provides grounds for a complaint by an AP. As a general policy, the IPMU and JCLAC will work proactively to prevent grievances through the implementation of impact mitigation measures and community liaison activities that anticipate and address potential issues before they become grievances. Nonetheless, it is possible that unanticipated impacts may occur if the mitigation measures are not properly implemented or unforeseen issues occur. To address complaints, a project-level Grievance Redress Mechanism (GRM) has been developed in accordance with ADB requirements and the Government's procedures. The GRM is a systematic process for receiving, recording, evaluating, and addressing an AP's project-related grievances transparently and within a reasonable period. The GRM was officially established by the issuance of Decision No. 1/SKKLRS/DAIPNL/MOJ-MAE/III/2022 dated 23 March 2022 (the Established GRM is attached in Appendix 5 of this ULACSP) and publicly announced to the affected communities and affected households in 16th September, 2022 (the Announcement is enclosed in Appendix 6 of this ULACSP) - and will operate during the pre-construction, construction, and operation phases of the Project. During the public consultation meetings conducted in the project aldeias during ULACSP preparation, the established GRM was disclosed to the APs and also presented in the PIB which were distributed to the meeting participants. In addition, the PIB containing the established GRM and the procedure for settling of land title disputes was also posted in accessible places in the project area.

87. The Construction Supervision Consultant (CSC) once engaged by the IMC will provide the necessary trainings related to grievance mechanism to the chief of Madohi suco and staff members of ANATL, JCLAC and the focal points. Contact details of those in charge of resolving grievances at each level are included in the PIB that have been delivered to all AHs during the consultation on the ULACSP before submission to ADB in September 2022 and February 2023 and posted in the construction sites during construction.

5.2. Stages of the Grievance Redress Mechanism

88. A complainant may first informally seek the assistance of the Chief of Madohi Suco to discuss and find an amicable solution to his/her complaint or grievance. If the grievance is not resolved to the satisfaction of the AP, he/she may seek the formal route for lodging the grievance as presented in the following stages. The GRM stages are presented below and illustrated in Figure 5.

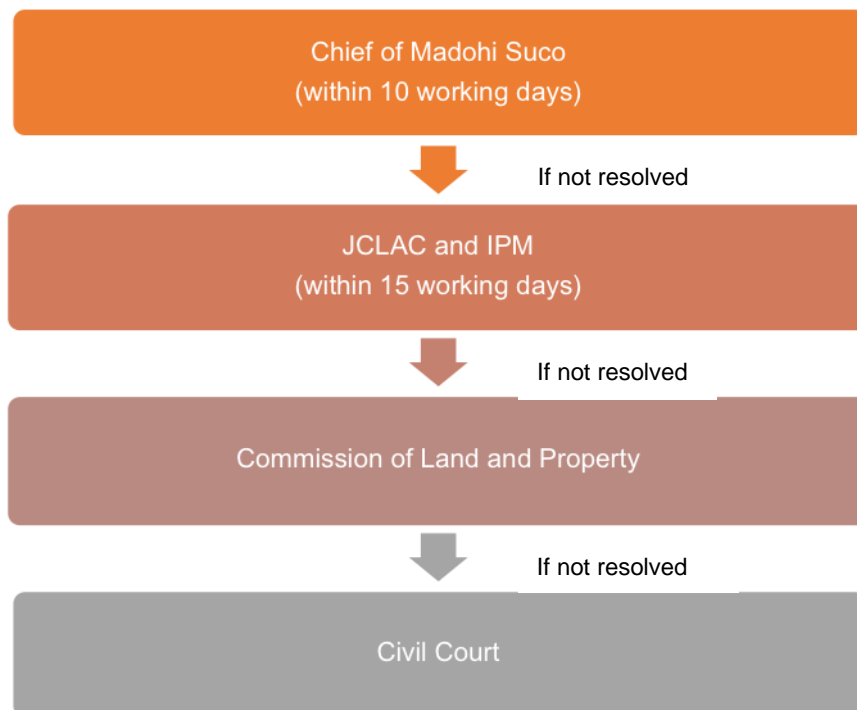
89. **Stage 1:** Complaints can be formally submitted to Chief of Madohi Suco. The first stage will be attended by Chief of Madohi Suco while IPMU officer must record the complaint. The Chief of Madohi Suco will meet the complainant, review the issue and respond to the complainant within 10 working days.

90. **Stage 2:** If the complainant is not satisfied with the response, a written complaint can be submitted to the JCLAC and IPMU. A review of the complaint will be conducted, including a meeting with the complainant. A written response will be provided within 15 working days by the JCLAC and IPMU to the complainant.

91. **Stage 3:** If the complainant is not satisfied with the response, especially complaints on the land and affected structures, the complaint can be elevated to the Land and Property Commission which is responsible for dispute mechanism as authorized by Decree Law No.

5/2020 which regulates responsibility to the Commission of Land and Property to handle disputes of affected lands and structures before going into civil court.

92. **Stage 4:** If the complainant is still not satisfied with the response from the Commission of Land and Property, the issue can be raised with the civil court and settled by the judicial system.



ANATL = Air Navigation Administration of Aviation Timor-Leste

Figure 5: Stages of Grievance Redress Mechanism

93. At any stage in the GRM, the complainant may have the option to elevate the complaint to authorized local courts for litigation following the rules of court. During the litigation of the case, the Government will request from the court that the Project proceed without disruption while the case is being heard. If any party is dissatisfied with the ruling of the civil court, that party can elevate the case to a higher court. The Government shall implement the decision of the court. The project-level GRM should not impede access to the country's jurisdiction or administrative remedies. There are no charges or fees levied to the APs for the lodgment and processing of complaints.

94. If efforts to resolve complaints and grievances using the above mentioned procedure remain unresolved or unsatisfactory, complainants - **as a last resort** - have the right to directly discuss their concerns or problems with the ADB's Transport and Communications Division, Southeast Asia Department (SERD) through the ADB Timor-Leste Resident Mission (Address: *Rua Cabo Verde No 16, Posto Administrativo, Vera Cruz, Suco Motael, Aldeia Halibur, Dili, Timor-Leste, Tel: +670 3306200*). If the complainants are still not satisfied with the responses of the SERD, they can directly contact the ADB Office of the Special Project

Facilitator. The Office of the Special Project Facilitator procedure can proceed based on the Accountability Mechanism¹⁰ in parallel with the Project implementation.

95. A focal point has been assigned for each ministry to receive and process complaints from APs and local people. The focal points of the relevant agencies with contact details have been included in the PIB delivered to participants of the public consultation meetings and posted in the early accessed public places.

- Focal point from Ministry of Agriculture and Fishery: Mr. Edmundo Martins
- Focal point from Ministry of Public Works: Mr. Octavio P. M. Marques
- Focal point from Ministry of Justice: Mr. Paulino da Cruz

5.3. GRC Record Keeping

96. Records of all grievances received will be recorded and kept in the Project office and a copy will be shared with the IPMU and JCLAC. The information to be recorded includes (i) contact details of complainants, (ii) date of complaint receipt, (iii) nature of grievances, (iv) status of grievance process (delegate, fact-finding, appeals, settlement, close, unable to complete), (v) agreed corrective actions, (vi) timeframe of implementation, (vii) responsible staff, (viii) status of final report, (ix) status of providing responses to complainants, (x) feedback status of complainants, the number of grievances recorded and resolved, and the outcomes will be displayed/disclosed at the ANATL office. A summary of this information will be included in the quarterly safeguard monitoring reports which will be submitted to ADB.

5.4. GRM Associated Costs

97. All costs incurred in meetings, consultations, communication, and reporting/information dissemination will be borne by the EA. There are no costs for the complainants at any stage of the GRM. Cost estimates for grievance redress are included in the resettlement cost estimates under administration cost. The complainants will not have to pay any fee for his/her case (official or unofficial).

98. Complaints from people with physical and mental disabilities, including elderly and illiterate persons, can be lodged with assistance of a trusted relative or a person in the *suco* with the complainants' consent.

99. Regarding the resolution of land disputes of the 58 AHs, the procedure of settling the land disputes was set-up and informed to the AHs during the public consultation meetings conducted in February 2023 by the IMWG that, as the first step – the AHs should submit their case to the Government's Grievance Commission (all 58 AHs have submitted their cases to the Commission and the Commission committed to officially respond to the AHs in April 2023). If an AH does not agree with the conclusion of the Government's Grievance Committee regarding the land title status of the land of the household, as the second step – the AH can lodge his or her complaint via the established project-level GRM or submit the complaint to the administrative court. While the administrative court is reviewing the case before making a decision, the compensation and assistance amount for the household would be kept in the Infrastructure Fund (IF) – and the Government would issue notification to the household that payment of compensation and assistance shall be made upon resolution to

¹⁰ Complainants can send their concerns to the Office of the Special Project Facilitator using the information at: <http://www.adb.org/accountability-mechanism>.

the grievance. When the grievance is legal in nature, any payment will be made after the conclusion of legal process (final decision of the court) and consistent with the unit rates determined in Government's Resolution No. 24/2022 issued on 17 August 2022 and land acquisition keeps going by the Project with the affected land of the household¹¹."

¹¹ This replicates the procedure that was applied by the Government financed Tibar Roundabout Expansion Project (in front of Tibar Port) which relocation households submitted their cases to the court – and while the court was reviewing the cases, the affected land areas of the households were acquired by the Project. The affected households, the local authorities and the court accepted that arrangement.

6. LEGAL FRAMEWORK

6.1. National and Local Policy Framework

100. For the Democratic Republic of Timor-Leste, compensation principles and policy framework for land acquisition, compensation and supports are governed by Land Law (2003) and relevant decrees. A summary of key legal provisions relevant to land acquisition, compensation and supports is provided below.

101. **Constitution of Democratic Republic of Timor-Leste.** Section 141 of the Constitution states that the ownership, use and development of land as one of the factors for economic production shall be regulated by law and Section 54 of the Constitution covers the right to private property and states that prescribes:

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

102. The first **Land Law** of Timor-Leste was promulgated in March 2003 and was designed to serve as an umbrella law for the rest of the land and property regime. The law established by the National Directorate for Land and Property Cadastral Survey (NDLPCS) as a legal entity and defined its jurisdiction, and articulated general rules concerning land tenure and property rights to be further developed by ensuing legislation¹². Moreover, this law established a one-year period for both nationals and non-nationals to register their land claims. The Land Law 2003 vests all land that belonged to the Portuguese state, and all state property acquired or built by the Indonesian regime, in the new state of Timor-Leste.

103. **Decree No. 6** issued by the Government in February 2011 provides for granting compensation to relocate unlawful occupants of State property based on humanitarian considerations¹³.

104. **Decree No. 27** approved on July 6, 2011 allows private property rights registration by landowners/persons in areas where cadastral surveys have been completed (following registration and verification of claims by the government) and confirmed that the claims to land are undisputed.

105. **The Civil Code** which was promulgated in 2011 and came into force in March 2012 includes a section that governs day-to-day land decisions such as the sale and lease of land.

106. **The new Land Law (Transitional Land Law 2017)** was approved on June 05, 2017 by Timorese Parliament. The Law interprets who owns what land and in the case of

¹² Following provisions of the Law, NDLPCS has produced Property/Building Identification Numbers for the land and property owners to register to constitute database on land and property owners for further legalization processing.

¹³ The Article 2 of the Decree stipulates criteria establishing for compensations: (a) composition of the household; (b) duration of the occupancy; (c) type of occupancy; (d) type of construction; and (e) depreciations and improvements.

conflicting claims, who has the strongest right to the land. The purpose of the Law is to clarify the legal status of landownership by bringing into effect the different dimensions of the right to private property provided for in the Constitution of Timor-Leste. Clarification of property rights is done through the recognition of prior property rights. In addition, the law creates the concept of informal property rights¹⁴ and recognizes community ownership¹⁵. Access to land is guaranteed in two ways. Firstly with the creation of the National Land Registry, intended to allow the emergence of a safe and transparent real estate market, and secondly with the clarification of assets belonging to the State, potentially enabling it to carry out a better management of its assets, which can be distributed to those who may not otherwise have access to land. The law also provides criteria for the resolution of disputes and the principle of compensation where there is “duplicity of rights”.

107. **The Expropriation Law 2017** is the most current and relevant law pertaining to involuntary land acquisition and compensation. The Law determines the conditions and establishes the procedures and limits under which the state can take private land for public good and under which it will provide fair compensation. The Expropriation Law recognizes the right to private property and guarantee of fair compensation for expropriated land, as fundamental rights of citizens. Under the Law, the expropriation of property for public purposes will preferably happen where the land cannot be acquired through private negotiations. Determination of the price under a private agreement should be the same as if it is determined under an expropriation process. The Council of Ministers with advice of the Ministry of Justice will be empowered to issue a notice of public purpose for expropriation.

108. **Law No. 13/2017 on special regime for the definition of the Ownership of Property** is to clarify the legal status of property and to promote distribution and access to land. Clarifications of property rights are done through the recognition of prior property rights.

109. The Government Resolution No. 24/2022 dated in August 2022 regulates the compensation unit rates for affected lands and assets for the Project.

6.2. ADB Social Safeguards Policy

110. On 29 June 2009, ADB updated its safeguards policies by integrating its policies on involuntary resettlement, indigenous peoples and the environment into one common Safeguards Policy Statement (SPS, 2009). The SPS was approved by the ADB Board on 20 July 2009 and became effective on 20 January 2010.

111. ADB’s Policy on Involuntary Resettlement is presented in its SPS, 2009. The aim of ADB Policy on Involuntary Resettlement is to avoid or minimize the impacts on people, households, businesses, and others affected by the acquisition of land and other assets,

¹⁴ According to the Article 2 (Item g) of the Law, "Informal property rights" means the rights on immovable property arising in the light of customary law and arising from durable, which have the characteristics of property rights. The informal property right corresponds to a traditional and individual right to land, allowing those who have not previously obtained documents regarding their property rights to now be able to invoke them in the same terms as those who previously had their rights formalized. In this field, this law operates the formalization of these rights through its registration.

¹⁵ According to the Article 27 of the Law, the property recognized as the property of the local community is recognized by the community as being of common use and shared by a group of individuals or families, organized according to local customs and practices.

including livelihood and income. Where resettlement is not avoidable, the overall goal of the ADB policy is to help restore the living standards of the APs to at least their pre-project levels by compensating for lost assets at replacement costs and by providing, as necessary, various forms of support. The objectives of the involuntary resettlement policy are: (i) avoid involuntary resettlement wherever possible; (ii) minimize involuntary resettlement by exploring project and design alternatives, if involuntary resettlement is unavoidable; (iii) enhance, or at least restore, the livelihoods of all APs in real terms relative to pre-project levels; and (iv) improve the standards of living of the displaced poor and other vulnerable groups.

112. Apart from the SPS (2009) other relevant ADB's Policies that are applied in resettlement and EM planning and implementation include Gender and Development Policy (1998), Public Communications Policy (2011), and Accountability Mechanism Policy (2012). The Gender and Development Policy (1998) adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring that women participate and that their needs are explicitly addressed in the decision-making process for development activities. For projects that have the potential to cause substantial gender impacts, a gender plan is prepared to identify strategies to address gender concerns and the involvement of women in the design, implementation and monitoring of the project. The Public Communications Policy (2011) requires active participation of APs and other stakeholders during the development and review of safeguard policies on ADB-assisted programs and projects. The Accountability Mechanism Policy (2012) aims to enhance ADB's capacity in responding to and/or resolving the problems associated with implementation of its policies in all programs or projects it assists. It consists of a consultation phase and a compliance review phase, by which the problems or issues raised by the APs and/or stakeholders are investigated and resolved.

6.3. Gaps between Government's Laws and Regulations and ADB's SPS (2009) on Land Acquisition and Resettlement

113. Table 47 below presents the gaps between ADB's policy and the Government's laws and regulations on land acquisition, compensation and supports for AHs– proposed gap-filling measures in the Project.

Table 47: Gaps between ADB and Government’s Laws and Regulations on Land Acquisition and Resettlement

Issues	ADB’s SPS (2009)	Timor-Leste Laws and Regulations	Gaps between ADB’s SPS (2009) and Timor-Leste Laws	Gap Filling Measures
A. Land Acquisition and Resettlement				
Objective	Avoid involuntary land acquisition resettlement wherever possible. Minimize involuntary resettlement by exploring protect and design alternatives.	There is no explicit reference to the need for avoidance or minimizing of resettlement impacts.	Timor-Leste Laws do not have the provision of avoiding or minimizing the involuntary resettlement impacts	The ULACSP includes measures to avoid or minimize the land acquisition and resettlement impacts of the Project.
Project screening	Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of APs, including a gender analysis, specifically related to resettlement impacts and risks.	<ul style="list-style-type: none"> Articles 19 and 21 of Expropriation Law call for conducting a cadastral survey, social impact assessment and resettlement plan where land being expropriated involves residential households¹⁶. The Expropriation Law includes provisions for public consultation, which provides for early screening of the project, as well as public hearings which include publicizing the proposed public hearings in the media¹⁷. 	There are no specific requirements for a census or cut-off date for entitlements under the Timor-Leste Laws.	The Project impacts are identified based on early screening, survey/census, cut-off date, and assessment of impacts.

¹⁶ Article 21 of the Law stipulates: Social Impact Study aims to identify the positive and negative consequences in the lives of the stakeholders, caused by expropriation. The Resettlement Plan consists of an action plan in which procedures are established to mitigate adverse effects and compensate for the losses suffered by those interlaced with expropriation. The Resettlement Plan based on: a) the results of the social impact study; b) consultation with interested persons regarding viable alternatives to their compensation; and c) the principles established in Article 8. The Resettlement Plan must contain: a) the different alternatives to accommodation for the choice of the interested; b) the mechanisms for restoring the income and means of subsistence lost by the interested parties; c) the timetable for its implementation; d) Estimating the costs of implementing different alternatives; e) the monitoring mechanisms for the implementation of the resettlement plan. Whenever possible, the social impact study and the resettlement plan should be combined with environmental impact studies.

¹⁷ Article 22 of the Law stipulates: (1). After the project planning phase is completed, the respective public consultation is initiated, aimed at publicizing the options taken and discussing the various alternatives to their implementation. (2). Within the scope of the public consultation, the following activities are carried out: a) availability of the project for consultation; b) public hearings; c) public consultation report; 3. public consultation and open consultation to all who are interested and participate in it.

Issues	ADB's SPS (2009)	Timor-Leste Laws and Regulations	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
Consultation	Carry out meaningful consultations with APs, host communities, and concerned NGOs. Inform all APs of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations.	The Expropriation Law includes provisions of the public hearing, including requirements for publicity about the proposed public hearings in the Official Journal and in the media. A report of the consultation is to be made, including a description of the public hearings. The Expropriation Law provides for information to be provided to APs before expropriation occurs ¹⁸ . Once the report on the public consultation results is published, a social impact study and property survey of APs is carried out.	Consultations are only required at the planning stage. There are no specific provisions on preparing and implementing resettlement plans based on meaningful consultations with APs, including the poor, landless, elderly, women and other vulnerable groups and no requirements of public consultation and public engagement during implementation under the Timor-Leste Laws.	Consultations are conducted on an ongoing basis with stakeholders including APs. Development of mitigation measures will take into consideration the needs and views of stakeholders and those affected.
APs without titles to land or any recognizable legal rights to land	Ensure that APs without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.	Decree No. 06/2011 only allows payment of compensation for humanitarian reasons which must be assessed and confirmed through ministerial dispatch (articles 1 and 4 of referred diploma).	According to the Timor-Leste Laws, payment of compensation to unlawful occupants of state property is not mandatory.	Affected persons without legal or recognizable legal claims to land acquired, are equally entitled to participate in consultations and benefit schemes and be compensated for their affected non-land assets such as dwellings and structures. However, the eligibility of the APs without titles to land also is defined by a cut-off date. Any informal settlers who encroach on the project area after the declaration of the cut-off date are

¹⁸ According to Article 23 of the Law, information to disclose to affected households include information on the project, the identification of the entity would benefit from the expropriation, the identification of the property to be expropriated and its location of public hearing sessions. The information must also be published in two newspapers of national circulation and, through an announcement, in the headquarters of *suco* of the real estate property. The project, together with the documents related to the project planning phase, must be made available for consultation, at the *suco* headquarters of the real estate property, for a maximum period of sixty days. During this period, any person can present the entity that would benefit from the expropriation, in writing, comments that it considers relevant to the project.

Issues	ADB's SPS (2009)	Timor-Leste Laws and Regulations	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
Compensation at full replacement cost	The calculation of full replacement cost will be based on the following: elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Depreciation of structures and assets should not be taken into account	The Expropriation Law stipulates requisitioning and expropriation of property for public purposes shall only take place following fair compensation in accordance with the law. The Expropriation Law (Article 8 and 58) requires that land expropriation should follow principles of justice and equality on account of ensuring that expropriation must ensure that the standard of living of APs is equal to or higher than the one prior to compensation. The Expropriation Law is also required to guarantee fair compensation based on market value. The NDLPSC has the mandate and responsibility to assess the value of land and related assets.	There is no explicit guidance provided on how to determine fair compensation and/or replacement costs and no requirement for third party validation to appraise the replacement cost of affected land and other assets.	not eligible for any compensation and assistance. An independent and qualified replacement cost appraiser has been engaged to appraise the replacement cost of affected land and other assets. The Government has issued a Resolution on Compensation Unit Rates for Affected Lands and Assets for the Project following the results of the RCS.
Compensation for loss of income	The loss of income or livelihood sources will be compensated promptly at full replacement cost.	There is no legal provision on entitlements for loss of incomes and means of livelihood due to land acquisition	There is no specific provision on entitlements for loss of income and livelihoods under the Timor-Leste Laws.	Households whose income or livelihood sources affected by the Project are entitled to compensation for income loss. Affected business regardless of status of business registration are compensated for the lost net income from the affected business.
Assistance for physically displaced households	In the case of physically APs, the borrower/client will provide (i) relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services as required; (ii) transitional support and development assistance, such as land	Government Resolution No. 24/2022 dated on 17 August 2022 regulates compensation unit rates for affected lands and assets for the Project	Timor-Leste Laws do not provide for any specific assistance including transitional support and development assistance to APs other than offering compensation for lost assets.	All APs are entitled to relocation assistance such as transportation assistance, transitional assistance, and other resettlement measures as necessary and eligible to participate in the Income Restoration Program of the Project.

Issues	ADB's SPS (2009)	Timor-Leste Laws and Regulations	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
	development, credit facilities, training, or employment opportunities; and (iii) opportunities to derive appropriate development benefits from the project.			
Assistance for Vulnerable People	Improve the standard of living of APs and other vulnerable groups, including women, to at least national minimum standards, and assist them with legal affordable land, adequate housing, and appropriate income sources.	Article 10 of the Expropriation Law obliges the government to take the necessary measures to ensure the adequate information, consultation and participation of vulnerable groups, and promote the right to equality and non- discrimination, but without elaboration on what measures required to reach these outcomes.	Timor-Leste laws do not prescribe specific measures for improvement of living standards to national minimum standards, nor for restoration of livelihoods, or access to income generating sources, and there are no specific measures to be taken for vulnerable people.	VAHs are eligible to participate in the Income Restoration Program of the Project.
Income Restoration Program	Improve, or at least restore, the livelihoods of all APs through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.		The Timor-Leste Laws do not elaborate the option and implementation of assistance and livelihood restoration for the AHs.	SAHs who lose 10% or more of total productive land (if the land is the main income generating asset of the household) or total income-generating assets, and/or have to relocate, and also VAHs are eligible to participate in the Income Restoration Program of the Project.
Compensation payment	All compensation and resettlement entitlements must be provided before any displacement or commencement of works.	Article 41 of the Expropriation Law requires that (i) takeover of expropriated land cannot occur until: a) public notice of expropriation has occurred; b) list of assets has been drawn up; c) resettlement plan has been implemented; d) replacement land as agreed by APs has been provided free of charge; e) Fair	There is no specific mention of works in the Expropriation Law but possession of expropriated land by the Government not permitted until Resettlement Plan and other fair compensation have been implemented.	Civil works will not proceed for a specific component or geographic area until (i) compensation and assistance have been paid in full to the AHs and communities; (ii) relocation has been completed and the Income Restoration Program for the SAHs and VAHs is in-place; and (iii) the area is free from any

Issues	ADB's SPS (2009)	Timor-Leste Laws and Regulations	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
		compensation to APs has been deposited with a banking institution; (ii) APs are granted a reasonable period of time to vacate expropriated property, not to exceed ninety days.		encumbrances.
Grievance redress mechanism (GRM)	Establish a GRM to receive and facilitate resolution of the APs' concerns and grievances regarding the project's environmental performance.	The Expropriation Law suggests disputes over expropriation process to be handled through normal administrative and court processes.	Under the Timor-Leste Laws, there is no specific requirement of a project-level GRM to be established, including roles and responsibilities and documentation of grievances.	A project level GRM was officially established in consultation with the AHs and communities to resolve complaints regarding land acquisition, compensation, assistance and resettlement of the Project in March 2022. The GRM was publicly announced to affected communities in 16, September, 2022.
Monitoring	Monitor and assess resettlement outcomes, their impacts on the standards of living of APs, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.	As regulated by the Laws (Articles 2 of Land Expropriation for Public Facility), NDLPSC and project proponents have the responsibility to monitor land expropriation processes.	There is no provision on external monitoring of resettlement implementation and post-implementation evaluation to assess whether the objectives of the Resettlement Plan have been achieved under Timor-Leste Laws.	The IPMU will undertake internal monitoring on land acquisition, compensation and supports for the AHs. An independent external monitor will be engaged by the CAFI to carry out periodic external monitoring as the Project has significant involuntary resettlement impacts. Monitoring reports will be shared with relevant stakeholders and uploaded on the ADB website for disclosure.
Resettlement Plan Preparation	Prepare a Resettlement Plan elaborating on APs entitlements, income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget and time-bound implementation plan.	Article 21 of the Expropriation Law calls for a social impact study and resettlement plan to be developed to mitigate adverse effects and to compensate for the losses due to expropriation, based on social impact assessment and consultations with APs. Resettlement plan is to include: (i) different alternatives to housing for	There are no specific details of how requirements of the plan are to be developed and carried out, including institutional arrangements or time-bound implementation plans under Timor-Leste Laws.	The ULACSP covering APs entitlements, income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget and time-bound implementation plan has been prepared to govern land acquisition and resettlement under the Project.

Issues	ADB's SPS (2009)	Timor-Leste Laws and Regulations	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
		stakeholders to choose from; (ii) mechanisms for restoration of income and lost livelihoods; (iii) timetable for plan's implementation; (iv) estimation of costs of implementing different alternatives; (v) supervision mechanisms for implementation of the relocation plan.		
Disclosure of Resettlement Plan	The draft Resettlement Plan, including documentation of the consultation process, must be disclosed in a timely manner before project appraisal (in an accessible place, and a form and language understandable to APs and other stakeholders.) The final Resettlement Plan must also be disclosed.	The Expropriation Law requires prior public notice of consultation phase including availability of project documents. Consultations are held in "simple and adequate" language, and minutes taken of stakeholder questions and comments, and publication of public consultation report following consultation.	There are no specific government requirements on how and where disclosures of public consultation reports and/or resettlement reports are to be made.	Requirements on information disclosure are specified in the ULACSP. Before submitting to the ADB and after ADB's acceptance of the ULACSP, the document in the Timor-Leste language (<i>Tetum</i>) will be posted in accessible public areas and sent to the relevant agencies and community leaders. A summary of the ULACSP will be provided to the community leaders. The ULACSP and any future updates or addendums will also be uploaded to the ADB website.

ADB = Asian Development Bank; ANATL = National Authority of Aviation Timor-Leste; APs = Affected Person; DMS = Detailed Measurement Survey; GRM = Grievance Redress Mechanism; IMC = Inter-Ministerial Commission; IMWG = Inter-Ministerial Working Group; IPMU = Integrated Project Management Unit; IOL = Inventory of Loss; ULACSP = Updated Land Acquisition, Compensation and Support Plan; MOTC = Ministry of Transportation and Communication; NDLPSCS = National Directorate of Land and Property and Cadastral Services; NGO = Non-Governmental Organization; RCS = Replacement Cost Study; SAH = Severely Affected Household;

Source: IMWG/IPMU/JCLAC, 2022

6.4. Project Policies on Resettlement

114. The land acquisition, compensation, and support policy principles for the Project are as follows:

- Land acquisition impacts are minimized through careful engineering design;
- The APs are systematically informed and consulted during the entire process of resettlement planning and implementation, including assessment of possible impacts on their livelihoods, acquisition of land/assets, determining compensation/support options and socio-economic rehabilitation measures. They are informed of their rights and options and are invited to participate actively in the identification of mitigation and rehabilitation measures. The comments and suggestions of AP and communities are taken into account;
- The APs are identified and recorded as early as possible to establish their eligibility to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits;
- Eligible APs are entitled to compensation and livelihood rehabilitation measures sufficient to assist them to improve or at least restore their pre-project living standards, income earning capacity and production levels;
- In the consultation process, representatives of local governments, village chiefs, other community leaders and civil society organizations such as non-government organizations (NGOs) from the operational areas will be included. The customs and traditions, as well as the religious practices of all APs, will be respected and protected;
- The institutions of APs, and, where relevant of their host communities, are to be protected and supported. Physically displaced persons are assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted;
- Lack of formal legal rights to land lost¹⁹ will not deprive any APs from receiving compensation and payments for non-land assets and entitlements;
- Particular attention is paid to the needs of vulnerable APs. This group of APs may include those without legal or recognizable title to the land or other assets, households headed by females, the elderly or disabled, poor households, landless households and indigenous people or ethnic groups that may be a minority in specific locations. Appropriate assistance will be provided to help them improve their socio-economic status;
- The concerns of women are identified based on gender disaggregated socio-economic data, separate discussions on women's concerns, and ensuring adequate measures and budgetary allocations in the resettlement plan to compensate and resettle them in a manner that does not disadvantage them. In this effort the assistance of national NGOs currently engaged in women's welfare will be sought;
- Resettlement planning decisions are preceded by a social preparation phase where consultations will be held with APs, community leaders, local administrators, and NGOs to enhance the participation of these APs in negotiation, planning, and implementation;
- All compensation will be based on the principle of replacement cost at the time of compensation. For houses and other structures, this will involve the costs for materials and labor at the time of acquisition, with no deduction for depreciation or for salvageable materials;

¹⁹ APs with lack of formal legal rights to lost land are those who have neither formal legal rights nor recognized or recognizable claims to the affected land.

- An independent and qualified replacement cost appraiser is engaged to conduct the Replacement Cost Study (RCS) for the affected land and other assets;
- Where houses and structures are partially affected to the degree that the remaining portion is no longer viable for its intended use, the Project will acquire the entire asset and APs will be entitled to compensation at replacement cost for the entire asset;
- Any temporary impacts on land and public infrastructure outside the project footprint during construction will be restored by construction contractors under close monitoring of JCLAC and IPMU and an external monitor;
- A GRM linked with existing traditional formal and informal systems and cognizant of cultural requirements was officially established to solve resettlement related disputes and complaints from AP;
- Land for land or asset for asset compensation is always the preferred method. However, if land is not available for relocation of AHs to or for other reasons, assistance to locate suitable alternative location will be provided to the AHs and cash compensation at replacement costs will be provided to APs. For SAHs who experience significant or major impacts due to (i) loss of 10% or more of their total productive land (if the affected land is the main income generating asset of the household), assets and/or income sources due to the Project; and/or (ii) physical displacement from their pre-project place of residence and/or business, assistance will be given to identify and purchase alternative land. Efforts will also be made to provide sustainable livelihood restoration measures so that the APs can improve or at least restore their standard of living to pre-project levels;
- Costs of land acquisition and resettlement are included by the government in the project cost and adequate budgetary provision shall be made available during the Project implementation;
- Monitoring and evaluation of the land acquisition, resettlement and rehabilitation processes and the final outcomes will be conducted by an independent resettlement monitor;
- One Social Safeguards Officer will be assigned under the Technical Team of the IPMU. One International Resettlement Consultant will be mobilized (Capacity Building Consultant) to assist the JCLAC and IPMU in implementing of land acquisition, compensation and supports. The CSC will also have a Social Safeguards Team consisting of international and national social safeguards specialists to assist the JCLAC and IPMU in monitoring of land acquisition and resettlement following the provisions of the agreed ULACSP;
- Construction activities cannot commence for a specific component or geographic area until (i) compensation and assistance have been paid in full to the AHs and communities; (ii) relocation of physically displaced households has been fully completed; (iii) Income Restoration Program for the SAHs and VAHs is in-place; and (iv) the area is free from any encumbrances;
- No works with resettlement impacts will be implemented before the ULACSP has been prepared and cleared by the ADB and satisfactorily implemented as confirmed by the external monitor.

7. ENTITLEMENTS, ASSISTANCES AND BENEFITS

7.1. Project Eligibility and Entitlements

115. **Cut-off Date and Eligibility.** Cut-off date is the date set to determine eligibility for compensation and assistance under the Project. The cut-off date for this Project is the date that the IOL for all affected land and assets of individuals/households within the project' area and the census on the AHs were completed – it is 04 December 2020. The cut-off date has been announced publicly by IMWG together with the local authorities during public consultation meetings and posted in the accessible public places. Any people who settle in the project area after the cut-off date will not be entitled to compensation and assistance under the Project. Site management has been performed by the IPMU weekly in coordination with local authorities. To April 2023, there has been no household/person who encroached or squatted the demarcated project area. There has been no complaint/grievance either related to the cut-off date and/or the encroachment/squatting to project area.

116. For those who have been illegally occupying the affected public land before the cut-off-date and are categorized within the category of “dispute with the state” - compensation and assistance will be made following on the results of dispute settlement procedure specified in this ULACSP. Those who are eventually considered as legal landowners will be compensated for the affected land and assets on land by replacement cost and other eligible assistance. Those who are considered as illegal landowners following the dispute settlement process will be compensated for affected non-land assets at replacement cost and eligible assistance, but no compensation for affected land will be provided to the AHs.

117. **Entitlements.** Based on the impacts identified during the IOL, the corresponding entitlements to be provided to the AHs are presented in the entitlement matrix in Table 48. The entitlements may be enhanced or improved as necessary, but not downgraded.

Table 48: Entitlement Matrix

No.	Type of Losses/Impacts	Eligible Persons	Entitlements	Implementation issues
1	Loss of agricultural land			
	Severe loss (10% or more than 10% of total agricultural landholding of the household and farming is the main source of livelihood of the affected household) (32 AHs -172 APs)	Legal landowners following the provisions of Laws and Regulations of the Government (32 AHs -172 APs)	(i) Cash compensation at replacement cost for the affected land; (ii) Assistance for SAHs as specified in Item 11; (iii) Be entitled to participate in the IRP.	(i) An independent and qualified replacement cost appraiser was engaged to appraise the replacement cost of the affected land. The Government has issued a Resolution on Compensation Unit Rates for Affected Lands for the Project following the results of the RCS. (iii) If the remaining area of the land plot is no longer economically viable (too small area or the shape is difficult for cultivation as assessed by the JCLAC, village leaders and the affected landowner) and if the landowner requests, the entire plot shall be acquired and compensated by replacement cost. (iv) Land Certificate and other legal documents (if the household has) shall be adjusted at no cost for the affected landowner. (v) AHs will be informed six months (06) in advance of land acquisition so that crops on land can-be harvested before land acquisition.
2	Loss of residential land			
		Legal landowners following the provisions of Laws and Regulations of the Government (81 AHs – 479 APs)	(i) Cash compensation at replacement cost for the entire plot of the affected land.	(i) An independent and qualified replacement cost appraiser was engaged to appraise the replacement cost of the affected land. The Government has issued a Resolution on Compensation Unit Rates for Affected Lands for the Project following the results of the RCS. (ii) If relocation, the JCLAC and IPMU shall assist relocation households to obtain security of tenure in a new location. Relocation households can opt-out of the provision of security of tenure if they do not need or wish to participate in this assistance with no deductions made to the compensation package. (iii) While complaints of the AHs with land title disputes with the State or other individuals are being settled by the administrative court, the compensation amounts of

No.	Type of Losses/Impacts	Eligible Persons	Entitlements	Implementation issues
				<p>the AHs will be deposited in an escrow account in a bank and land acquisition of the Project is still allowed²⁰.</p> <p>(iv) If the remaining residential land area is not sufficient for the household to continue staying in the area, or the shape of the plot is too difficult to continue staying on - the entire plot of residential land is acquired and compensation is made for the entire land plot and the asset on land at replacement cost, plus with other relocation assistance;</p>
		<p>Illegal landowners following the provisions of Laws and Regulations of the Government</p> <p>(14 AHs – 115 APs)</p>	(i) No compensation for land.	<p>(i) Assets upon the affected land will be compensated by replacement cost to the owner as specified in the issues Resolution of the Government on Compensation Unit Rates for Lands.</p> <p>(ii) All the informal settlers have other land plots in Dili Municipality (2-4 km from the affected land) so that they can move back and stay on the land after land acquisition of the Project.</p>
3	Loss of Production Land			
	Land of two (2) companies acquired	02 companies	(i) Cash compensation at replacement cost for the affected land plots.	(i) An independent and qualified replacement cost appraiser was engaged to appraise the replacement cost of the affected land. The Government has issued a Resolution on Compensation Unit Rates for Affected Lands for the Project following the results of the RCS.
4	Loss of main structures (houses, house-cum-shops and shops)			
4.1	Main structures of households constructed on			

²⁰ The procedure was already applied for another project financed by the Government named as Tibar roundabout expansion project (in front of Tibar Port) as a precedent.

No.	Type of Losses/Impacts	Eligible Persons	Entitlements	Implementation issues
	private land			
	Fully affected main structures or partially affected structures but the remaining portions of the structures are not sufficient to stay/not safe for staying –the structures will be relocated to another place as the remaining land is unavailable.	Owners of structures regardless of land tenure (191 AHs – 932 APs)	<p>(i) Cash compensation at replacement cost for the entire house with no depreciation and no deduction for salvageable materials;</p> <p>(ii) Relocation options:</p> <p><u>(ii.1) Households with loss of house:</u></p> <ul style="list-style-type: none"> - The households are entitled to assistance to find replacement location to move the house to (USD 50.0 per household), - Transitional assistance: USD 56.16/person/month for 3 months for all family members, - Transportation assistance: USD 200.0/household; <p><u>(ii.2) Households with loss of house-cum-shops:</u></p> <ul style="list-style-type: none"> - The households are entitled to assistance to find replacement location to move the house-cum-shop to (by net-income per day from the affected shop for 30 days), and - Transitional assistance: USD 56.16/person/month for 3 months for all family members, - Transportation assistance: USD 200.0/household; <p><u>(ii.3) Households with loss of shops:</u></p> <ul style="list-style-type: none"> - The households are entitled to assistance to find replacement location to move the shop to (by net-income per day from the affected shop for 30 days), and - Transitional assistance: USD 56.16/person/month for 3 months for all family members, - Transportation assistance: USD 200.0/household; <p>(iii) AHs (ii.1, ii.2 and ii.3) are entitled to participate in the IRP.</p>	<p>(ii) The amount of USD 50.0 per household is the allowance just for finding replacement land/house to relocate and not for other activities</p> <p>(iii) The transitional assistance of USD 56.16 is for each family member per month - and the assistance is for three (3) month and for all family members of all physically displaced households.</p> <p>(iv) The RCS also covers the related costs for preparing of housing foundation and connection to basic service such as water, electricity, etc. in the new area of the relocation households.</p> <p>(iii) AHs will be provided with the notice of land clearance six (06) months in advance in a particular segment of the Project.</p> <p>(v) If relocation, the JCLAC and IPMU shall assist relocation households to obtain security of tenure in a new location. Relocation households can opt-out of the provision of security of tenure if they do not need or wish to participate in this assistance with no deductions made to the compensation package.</p>

No.	Type of Losses/Impacts	Eligible Persons	Entitlements	Implementation issues
4.2	Main structures of households constructed on the public land which is now the Project's area			
	Structures constructed by informal settlers	Structure owners regardless of severity of impacts (14 AHs – 115 APs)	<p>(i) Cash compensation at replacement cost for the entire structure with no depreciation and no deduction for salvageable materials;</p> <p>(ii) Relocation options:</p> <p><u>(ii.1) Informal settlers who constructed houses on the public land which is now project's area:</u></p> <ul style="list-style-type: none"> - Transitional assistance: USD 56.16/person/month for 3 months for all family members and - Transportation assistance: USD 200.0/household; <p><u>(ii.2) Informal settlers who constructed house-cum-shops on public land which is now project's area</u></p> <ul style="list-style-type: none"> - Transitional assistance: USD 56.16/person/ month for 3 months for all family members and - Transportation assistance: USD 200.0/household; <p><u>(ii.3) Informal settlers who constructed shops on the public land which is now project's area</u></p> <ul style="list-style-type: none"> - Transitional assistance: USD 56.16/person/month for 3 months for all family members and - Transportation assistance: USD 200.0/household; <p>(iii) AHs (ii.1, ii.2 and ii.3) are entitled to participate in the IRP.</p>	<p>(i) An independent and qualified replacement cost appraiser was engaged to appraise the replacement cost of the affected main structures. The Government has issued a Resolution on Compensation Unit Rates for Affected Lands and Assets, including structures, for the Project following the results of the RCS.</p> <p>(ii) The assistance amount and the period required to carry out the business relocation and reestablishment of business after relocation were estimated based on the IOL and census data and finalized by the Government during preparation of ULACSP based on result of RCS of the independent and qualified appraiser.</p> <p>(iii) The net-income per day of the affected businesses will be based on either official evidence of income (such as tax receipts or similar evidence) or otherwise based on assessed minimum wage in the project area.</p> <p>(iv) AHs will be provided with the notice of land clearance six (06) months in advance in a particular segment of the Project.</p> <p>(v) All the 14 AHs confirmed that they have land within Dili Municipality, so that they will be able to move back to their places before land acquisition of the Project.</p>
4.3	Structures of companies Fully affected main structures or partially affected structures but the remaining portions	Affected company owners (2 companies)	<p>(i) Cash compensation at replacement cost for the entire structure with no depreciation and no deduction for salvageable materials;</p> <p>(ii) Affected company owners are entitled to assistance to find replacement location to move the shop to (by net-income per day from the affected business for 30 days); and</p>	

No.	Type of Losses/Impacts	Eligible Persons	Entitlements	Implementation issues
	of the structures are not sufficient to stay/not safe for staying –the structures will be relocated to another place as the remaining land is unavailable.		(iii) Transportation assistance: USD 400.0/company.	
5	Loss of secondary structures	Structure owners regardless of tenure status (176 AHs – 1,082 APs)	(i) Cash compensation at replacement cost for the affected portion with no depreciation and no deduction for salvageable materials.	(i) An independent and qualified replacement cost appraiser was engaged to appraise the replacement cost of the affected secondary structures. The Government has issued a Resolution on Compensation Unit Rates for Affected Lands and Assets for the Project following the results of the RCS.
6	Loss of crops and trees			
	Annual crops	Crop owners (162 AHs – 987 APs)	(i) Cash assistance which is equivalent to one (1) year value of crop (market price) in the areas which APs can no longer cultivate.	(i) Compensation for affected crops is only if announcement on land acquisition is <u>not</u> carried-out six (6) months in advance to the AHs. Record/evidence of announcement must be presented. (ii) An independent and qualified replacement cost appraiser was engaged to appraise the market price of the affected crops – if compensation for crop is required (i.e. crops could not be harvested in time).
	Trees	Tree owners (198 AHs – 1,274 APs)	(i) Cash compensation at market price for loss of crops/fruits calculated as number of years needed to bear fruit.	(i) An independent and qualified replacement cost appraiser was engaged to appraise the market price of the affected trees. The Government has issued a Resolution on Compensation Unit Rates for Affected Lands and Assets, including trees, for the Project following the results of the RCS. (ii) The AHs have the right to use salvageable trees.
7	Loss of graves	Grave owners	(i) Cash compensation at replacement cost for affected graves to ensure that the AHs can reconstruct	(i) The MOPW will coordinate with the State Secretary of Art and Culture to relocate the affected graves.

No.	Type of Losses/Impacts	Eligible Persons	Entitlements	Implementation issues
		(18 AHs – 94 APs)	the same graves in the new places, including costs for prays before and after relocation of graves to the new places.	
8	Loss of public assets	Affected communities and owners of affected utilities	<p>(i) Cash compensation at replacement cost will be provided to the communities to reconstruct the affected structures by the same construction materials but better standard (new).</p> <p>(ii) For affected electricity substations and transformers, compensation will be made to the owner of the utilities to remove and reconstruct the utilities based on technical requirements of the Government</p>	<p>(i) An independent and qualified replacement cost appraiser is to appraise the market price of the affected structures.</p> <p>(ii) According to the plan of the Government, a new school and a new bridge to replace the affected school and the affected road will be constructed in Beto Tasi. If any land acquisition of private individuals and households is required for the new school and/or new bridge construction, the land acquisition and resettlement impacts will be identified and an addendum to the ULACSP will be prepared by resettlement experts engaged by Australian Government DFAT. Entitlements on compensation and support in the addendum(s) may be upgraded but shall not be downgraded compared to those in this ULACSP.</p>
9	Loss of business			
		Households doing business in their affected shops that are required to physically displace (14 AHs – 90 APs, and two companies)	(i) Cash compensation for the income loss during the relocation time to the new place and income disruption during the time of reestablishment of business after relocation calculated by net-income of a day from the affected business for 90 days (three months);	<p>(i) Even the AHs are doing very simple business and most of them will move to the nearby area to the affected area (the same Suco), they will need about 3 months to reestablish their affected business in the new area.</p> <p>(ii) The number of days for assistance has been finalized during preparation of the ULACSP.</p> <p>(vi) If relocation, the JCLAC and IPMU shall assist business owners to obtain security of tenure in a new location. Business owners can opt-out of the provision of security of tenure if they do not need or wish to participate in this assistance with no deductions made to the compensation package.</p>
10	Temporary or permanent loss of work	Employees of affected businesses who will experience temporary	(i) Temporary disruption to employment: Cash assistance equivalent to lost wages for the period of the business disruption (30 days to 90 days	(i) The IOL, census data and also international good practices show that it will take about from 30 days to 90 days to re-establish at new location, so their employees

No.	Type of Losses/Impacts	Eligible Persons	Entitlements	Implementation issues
	employment	or permanent loss of employment due to the business disruption (280 employees)	maximum). (ii) Permanent loss of business of the employer: Cash assistance equivalent to lost wages for three (3) months and entitled to participate in the vocational training and IRP support if they are not able to find alternative employment.	will also temporarily lose their income for a maximum of 90 days. (ii) Employees are to confirm whether they have been working for the affected business household at least six months at the time of business disruption. They have to show their employment contract or their actual employment status must be confirmed by the village administrators. (iii) The amount of lost wages to be based on official employment records or standard wages for similar work in the project area as assessed by Dili Municipality Authority.
11	Assistance for severe impacts	AHs who will have 10% or more than 10% of total income-generating assets [and the income source is the main livelihood of the household) or relocated households (237 AHs – 1,219 APs)	(i) Cash assistance for three (3) months based on the minimum subsistence level. (ii) Be entitled to participate in the IRP.	(i) Subsistence level based on the poverty threshold of USD 56.16 per person per month.
12	Vulnerable households	Poor households; female-headed households with dependents; households headed by the elderly with no other means of support; landless households; and households headed by children with no other means of support; and those headed by the disabled person with no other means of	(i) Cash assistance for three (3) months based on the minimum subsistence level. (ii) Be entitled to participate in the IRP.	(i) Households that fall into more than one vulnerability criteria are entitled to receive the assistance once. (ii) Subsistence level based on the poverty threshold of USD 56.16 per person per month.

No.	Type of Losses/Impacts	Eligible Persons	Entitlements	Implementation issues
		support (112 AHs – 726 APs)		
13	Impacts during Construction		<p>(i) Contractors and the IPMU will assist AHs to seek alternate areas should they be temporarily affected during construction.</p> <p>(ii) Land outside of the alignment that is adversely impacted by construction activities will be compensated in cash at replacement cost by the civil works-contractor.</p> <p>(iii) Affected business (permanent shop/kiosks will be compensated by the contractor calculating by the monthly average income of the business multiplied by number of months that business experiences impacts).</p>	<p>(i) Land restoration to be completed within one month after the construction;</p> <p>(ii) Impacts due to construction (for example, damages of structures resulting from construction activities) and compensation measures will be included in the project Environmental Management Plan (EMP).</p>
14	Unanticipated involuntary resettlement Impacts	Eligible APs	<p>(i) New APs that will be identified (i.e., those who will be included among the adversely affected because of changes in the Project design or alignment prior to or even during construction works) are entitled to the same entitlements as those of the other APs.</p>	<p>(i) The IPMU shall ensure the conduct of a social assessment and prepare an ULACSP addendum(s) commensurate to the extent of the unanticipated impacts. The ULACSP addendum will be submitted to ADB and receive ADB clearance prior to implementation. Unanticipated impacts will be documented and mitigated based on the principles provided in this ULACSP.</p> <p>(ii) The new APs will not include any occupant entering the construction area after the cut-off date.</p>

7.2. Addressing Gender Issues

118. The Project includes the following specific actions to address gender issues:

- Both men and women participated in and will continue participating in public meetings during consultation on the approved ULACSP.
- Women will be given equal chance in getting hired for skilled/unskilled work and receive equal remuneration for the same work by the men.
- Female-headed households with dependents are considered as VAHs and eligible to additional assistance as other VAHs. For married AHs, both wife and husband need to sign the compensation and receipts and the Government encourages the AHs to apply for joint title of new houses/shops and replacement land.
- The IRP will be designed through meaningful consultations with AHs, including separate FGDs with eligible women in the AHs so appropriate activities can be developed and implemented for eligible affected women.
- Special assistance for female heads of the AHs or female elderly during relocation including (i) assistance in sourcing a contractor to support repair/construction of affected structures; (ii) physical assistance to secure salvageable materials from the affected structures; and (iii) physical assistance with the relocation process for female-headed households and elderly/disabled-headed households that are required to be physically displace.
- Disaggregated monitoring indicators by gender will be developed for monitoring social benefits, economic opportunities, livelihood, and resettlement activities as well as in the restoration of livelihoods and living standards during post-project implementation.

7.3. Unanticipated Impacts

119. If any additional impacts are identified during the project implementation, an addendum to the ULACSP will be prepared meeting all the requirements of Government regulations and ADB's SPS (2009) and will be submitted by the Borrower to ADB for clearance, prior to implementation. New APs that may be identified (i.e., those who will be included among the adversely affected because of changes in Project design or alignment prior to or even during construction works) are entitled to the same entitlements as those of the other APs. The aforementioned new APs will not include any occupant entering the construction area after the cut-off date.

8. RELOCATION OF HOUSING AND SETTLEMENT

120. According to the IOL results, there are 205 physically displaced households (1,047 persons) including (i) 20 households (158 APs) whose residential land will be partially affected, but the remaining residential land is not adequate to continue staying in the area; (ii) 53 households (317 APs) whose residential land will be fully affected; and (iii) 132 households (572 APs) whose structures built on the other's land will be fully affected or partially affected but the remaining portions of the structures are not sufficient and safe for the continued use as their original functions. The 205 relocation households (1,047 persons) include 191 households (932 persons) who are legal landowners and those in land title disputes with the State or between individuals, and 14 households (115 persons) who are informal settlers.

121. It is noted that, in the first consultations with affected persons and communities (October in 2020 and January 2021) almost all of the affected households stated that they wish to get cash compensation to purchase replacement land themselves. This has been reflected in the Minutes of Public Consultation Meetings. In addition, if resettlement site would be developed, it would be rather far from the affected area as the affected area is the central area of Dili Municipality and it is impossible for the Government to find land in the area to construct the resettlement site (no land available in this central area) for the affected households by the Project. Therefore, a resettlement site is not developed by the Project for accommodating the displaced households. According to the results of consultation and the census conducted during preparation of this ULACSP, the 191 relocation households (932 persons) confirmed that they could absolutely find suitable places within or out of Madohi suco to self-relocate. Owners of two affected companies stated that they have found the replacement place to move in. For the provisions on security of tenure, all fees will be borne by the EA/IA and not deducted from the compensation package. Eligible relocation can opt-out of the provision of security of tenure if they do not need or wish to participate in this assistance with no deductions made to the compensation package. As discussed with and agreed by the AHs during public consultation meetings, the AHs are entitled to the following assistance in addition to the cash compensation at replacement cost for the affected land and structure areas with no depreciation and no deduction for salvageable materials.

- 179 households (855 APs) with loss of houses: The households are entitled to (i) assistance to find replacement location to move the house to (USD 50.0 per household); (ii) transportation assistance: USD 200.0/household; and (iii) transitional assistance for 3 months for all family members (USD 56.16 per person per month);
- 12 households (77 APs) with loss of house-cum-shops/house and shop who are legal landowners and those with the land title disputes: The households are entitled to (i) assistance to find replacement location to move the house-cum-shop to (by net-income per day from the affected shop for 30 days), (ii) cash compensation for the income loss during the relocation time to the new place and income disruption during the time of reestablishment of business after relocation calculated by net-income of a day from the affected business for 90 days; (iii) transportation assistance: USD 200.0/household; and (iv) transitional assistance for 3 months for all family members: USD 56.16/person/month;

122. All the 14 AHs (115 persons) who are informal settlers have land at their original places (Dili municipality which are about 2-4 km far from the affected land area). All these 14 AHs will be provided with (i) compensation for affected structures, crops and trees at

replacement cost; (ii) transportation assistance: USD 200.0/household; and (iii) transitional assistance: USD 56.16 person/month for 3 months for all family members.

123. Apart from the relocation households, two affected companies including the coffee warehouse and Dyke company will be also fully affected and at the time of the IOL and census conducted, there are 8 persons living in their affected shops/warehouses – they are family members of the company owners. Therefore, the company owners are entitled to (i) assistance to find replacement location to move the shops/warehouses to (by net-income per day from the affected business for 30 days), (ii) cash compensation for the income loss during the relocation time to the new place and income disruption during the time of reestablishment of business after relocation calculated by net-income of a day from the affected business for 90 days; and (iii) transportation assistance: USD 400.0/company.

124. As presented in the Entitlement Matrix, employees of affected businesses who will experience temporary or permanent loss of employment due to the business disruption are entitled to the following entitlements

- Temporary disruption to employment: Affected employees will be provided with cash assistance equivalent to the lost wages for the period of the business disruption (30 days to 90 days maximum) if they experience temporary disruption to employment; and
- Permanent loss of business of the employer: Affected employees will be provided with cash assistance equivalent to lost wages for three (3) months and entitled to participate in the vocational training and IRP support if they are not able to find alternative employment.

125. In addition to the aforementioned relocation assistance, relocating households will be entitled to the IRP to ensure that their income/livelihood is improved or at-least restored after relocation.

126. All the AHs and affected companies will be informed six (6) months in advance of the land acquisition by the Project so that they have enough time to find other places to relocate. Compensation and assistance will be provided in full before relocation of physically displaced households.

9. INCOME RESTORATION AND REHABILITATION

127. An Income Restoration and Rehabilitation (IRP) has been prepared to be implemented by the Project to support (i) the SAHs that will lose 10% or more of their production/income-generating asset and relocated households and (ii) the VAHs of the Project. According to the IOL results finalized in February 2023, a total of 237 households (1,219 persons) are eligible to participate in the IRP as shown in Table 49. It is noted that, if the IRP is not implemented in 2023 but after the year, number of IRP eligible households needs to be updated because the VAHs may be changed at that time (e.g. households headed by females, poor households, etc.)

Table 49: Number of IRP Eligible Households

		Vulnerable	Non-vulnerable	Total
Households losing 10% or more of their productive landholding and/or total income-generating asset	Household	32		32
	Person	172		172
Relocated households	Household	80	125	205
	Person	554	493	1,047
VAHs	Household	112		112
	Person	726		726
Total	Household	112	125	237
	Person	726	493	1,219

Source: IMWG/IPMU/JCLAC; March 2023

128. A series of FGDs with all the IRP eligible households were conducted in February 2023 to discuss the doable and feasible income restoration measures which the households could implement to generate income.



FGD with IRP eligible households in Aldeia Naroman



FGD with IRP eligible households in Aldeia Loromatan and Anin Fuik



FGD with IRP eligible households in Aldeia Beto Tasi

Figure 6: Photos Taken during the FGDs with IRP Eligible Households during ULACSP Preparation

129. Results of the detailed needs assessment of the IRP eligible households conducted during the preparation of ULACSP indicated that the IRP eligible households are expecting the following income restoration measures which will be taken into consideration while designing the IRP:

- Expand or enlarge their business (shops, restaurants, etc.) after relocation: The IRP eligible households will be provided with supports, including (i) training on business management and/or diversifying of types of business for the household members; and (ii) access to microcredit.
- Enhance or maximize productivity of and income from production land: The IRP eligible households will be provided with trainings on agricultural extensions.
- Provision of technical assistance (training and suitable support) needed in raising, fattening or breeding of livestock.
- Free vocational training for household members of working age.
- Job placement: the IPMU will establish a team to provide free job placement support to the eligible AHs. The team will work with the project construction contractors and manufacturing factories in the project area to collect information associated with labor demand and job vacancies. The team will link job seekers to employers by providing the collected information to the job seekers, assisting them in applying for a job and providing necessary trainings for them if the job seekers require. In addition, the team will assist the construction contractors in recruiting the family members of the IRP eligible households and provide free vocational and skills training to the APs to ensure that they are qualified for the jobs created by the construction contractors. A provision stating that the construction contractors must prioritize recruitment of members from the AHs will be included in the contracts between the construction contractors and the EA. One more task of the team is to work with the job seekers to discuss their work history, career goals, job preferences, and interests and use the information that the job seekers provide to connect them with other employers based on their qualifications and the employers' needs.
- Access to preferential micro-credits for other activities: The International Resettlement Consultant under Capacity Buildings Consultants will work with banks and financial institutions available in the project area to facilitate the AHs

accessing micro-credits with low-interest rates for the activities that the households want to implement.

130. Based on the cost calculation, analysis of the local market and skills and abilities of the AHs, the preferred IRP activities of the IRP eligible AHs are shown in the table below.

Table 50: Preferred Income Restoration Activities of IRP Eligible Households

Proposed activities	Total	
	No. of AHs	% of total AHs
Expand or enlarge their business	5	2.1
Enhancing or maximizing productivity of and income from production land	17	7.2
Provision of technical assistance (training and suitable support) needed in raising, fattening or breeding of livestock	30	12.7
Job placement	50	21.1
Free vocational training for household members of working age	84	35.4
Access to micro-credits with low interest rates	51	21.5

Source: IMWG/IPMU/JCLAC; March 2023

131. Each IRP eligible household is entitled to participate in two (2) above IRP restoration activities. No cash will be provided to the eligible households but capacity building for income restoration will be provided. During the ULACSP implementation, the households will know the details of impacts on their land and livelihood, compensation and the assistance package for their household, and will have concrete ideas on what should be the income restoration measures that they wish to implement and the training needed to implement the IRP of the households for income restoration.

132. The International Resettlement Consultant under Capacity Building Consultants will assist JCLAC and IPMU and other project implementation support consultants in designing a detailed IRP for SAHs and VAHs and provide guidance in the IRP implementation. Detailed tasks related to the IRP of the International Resettlement Consultant under Capacity Building Consultants are as below.

- Support the Government in screening other on-going and planned programs/projects financed by the Government and/or NGOs that will be implemented in the project area to identify any program that may complement the IRP of the Project for the eligible households to ascertain any possible additional benefits. The availability of vocational training programs provided by the local agencies in Dili municipality, as well as the capacity of AHs to engage in the proposed programs will be also discussed with local authorities and concerned agencies during ULACSP implementation.
- Coordinating with JCLAC and IPMU for review and approval of the IRP;
- Assisting the AHs for implementing specific IRP activities;
- Regularly monitoring the status of IRP implementation by IRP participating households and provide supports and trouble shoot as needed;

- Supporting JCLAC and IPMU to expand IRP activities by combining these with available local socio-economic development/household development support programs funded by Dili municipality, other Government agencies, or NGOs working in the area; and
- Conduct assessment on IRP implementation if the objectives of the IRP are achieved.

133. For budget calculation, IRP support amounts for each category of eligible AH are listed below. The assistance amounts have been consulted with SAHs and VAHs during the ULACSP preparation. It is noted that the assistance amounts may be adjusted as necessary during ULACSP implementation to ensure that the income restoration activities are implemented effectively and IRP objectives are met. However, the assistance cannot be lower than the values shown the below:

- Vulnerable households who are not severely affected: USD 500.0/household;
- Households losing 10% or more of their total income generating assets by the Project:
 - ✓ Households those losing between 10% and 30% of their total production landholding: USD 500.0/household, plus USD 500.0 if the household is vulnerable;
 - ✓ Households those losing between 30% and 70% of their total production landholding: USD 1,000.0/household, plus USD 500.0 if the household is vulnerable;
 - ✓ Households those losing between 70% and 100% of their total production landholding: USD 1,500.0/household, plus USD 500.0 if the household is vulnerable;
 - ✓ Relocation Households: USD 1,000.0/household, plus USD 500.0 if the household is vulnerable.

134. Training on how to manage compensation assistance money, which is available to all the AHs will also be provided by the International Resettlement Consultant under the Capacity Building Consultants. The training will be carried out as soon as possible before the APs receiving compensation payments.

135. The list of detailed income restoration activities, support levels for eligible households, and list of eligible households following the eligibility criteria, and responsibilities of concerned agencies will be finalized by the IPMU, JCLAC together with Dili municipality authority, chiefs of Madohi suco and of project aldeias and IRP eligible households and reflected in the IRP report which is stand-alone report to be shared with ADB for review and feedback in April 2023. The IRP of the Project is planned to commence in May 2023.

136. The IPMU with support from Social Safeguards Experts of the CSC will regularly monitor the status of the IRP participating households and assist the households in expanding the IRP activities by combining the IRP with any on-going and planned programs/projects financed by the Government and or NGOs in the subproject area. The IPMU will also closely monitor the performance of the IRP to ensure that income restoration measures are provided effectively and IRP participating households are supported properly.

10. RESETTLEMENT BUDGET AND FINANCING PLAN

137. The calculated budget to implement the ULACSP is USD 11,421,937.6. Adding the contingencies, the total estimated budget for land acquisition, compensation and support for the Project is USD 11,650,376.4.

138. Budget calculation for compensation, assistance and resettlement for the Project presented in this ULACSP has been based on the compensation unit rates specified in the issued Resolution No. 24/2022 of the Government on determination of compensation unit rates for affected lands and assets for the Project following the results of the Replacement Cost Study (RCS) which was carried out by an external and qualified replacement cost appraiser in November and December 2021. During the RCS, the amounts of transitional assistance, transportation assistance and assistance to find replacement location to move the house to, calculated period of moving structures backwards/aside, costs for prays before and after relocation of graves were also calculated in consultation with the affected households.

139. The results of the RCS were discussed with relevant agencies in January and February 2022. A stand-alone RCS report was prepared to submit to ADB and EA for review. Comments of ADB and relevant governmental agencies were discussed and settled. The RCS results were submitted to the Government for review and approval in March 2022. Following the recommendations in the submitted RCS Report, the Government issued the Resolution No. 24/2022 on determination of compensation unit rates for affected lands and assets for the Project in August, 2022 (Appendix 7).

140. The adopted compensation unit rates for affected land and assets as specified in the issued Resolution of the Government are the highest rates that recommended by the external replacement cost appraiser in the RCS report. The ULACSP cost will be financed by the Government as part of counterpart financing. The IPMU will ensure timely allocation of ULACSP funds from the Government. Resettlement budget transfer, disbursement and liquidation will follow the existing regulations of the Government.

141. The breakdown of the calculated resettlement budget is shown in Table 51.

Table 51: Detailed Calculation of Costs for Land Acquisition and Resettlement

No	Items	Unit	Average unit price	Quantity	Amount (USD)
A	Total Costs for Compensation and Supports				10,310,852.4
A.1	COMPENSATION AND ASSISTANCE				10,001,852.4
1	Compensation for land	m ²	40	132,576	5,303,040.0
2	Compensation for crops and trees	m ²			467,734.0
3	Compensation for structures	Unit	16,600	211	3,502,600.0
4	Costs for grave removal, including related costs for prays before and after removal (if any)	grave		19	9,363.4
5	Compensation for public assets				Related agencies have budget allocated separately for reconstruction of affected structures

No	Items	Unit	Average unit price	Quantity	Amount (USD)
	Access road				Included in the construction cost
	Electric poles		50	18	900.0
	Public trash can		700	2	1400.0
	Signboard		50	2	100.0
	School's structures		209.1	420	87,822.0
	Volley ball court		1,000.00	1	1,000.0
6	Compensation for loss of business				149,400.0
6.1	Cash compensation for the income loss during the relocation time to the new place and income disruption during the time of reestablishment of business after relocation calculated by net-income of a day from the affected business for 90 days (three months) (USD 200/household/month)				23,400.0
	- 14 households running business in their own houses/shops	household	600	14	8,400.0
	- Coffee warehouse	company	5000	1	5,000.0
	- Dyke company	company	10,000	1	10,000.0
6.2	Cash assistance equivalent to lost wages for the period of the business disruption (30 days to 90 days maximum). (USD 5/person/day for 90 days)	person	450	280	126,000.0
7	Assistance				569,715.0
7.1	Assistance for SAHs (\$56.16/month/person × 3 months) (237 AHs - 1,219 APs)	person	168.48	1,219	205,377.1
7.2	Assistance for vulnerable households (\$56.16/month/person × 3 months) (112 affected households with 726 persons)	person	168.48	726	122,316.5
7.3	Relocation assistance				242,021.4
7.3.1	For legal landowners and structure owners whose structures were built on private land - the AHs will have to relocate to other places as the remaining land is unavailable				
	- Households with loss of house (179 AHs, 849 APs)				-
	Assistance to find replacement location to move the house to	household	50	179	8,950.0
	Transportation assistance	household	200	179	35,800.0
	Transitional assistance	household	168.48	849	143,039.5
	- Households with loss of house-cum-shops (9 AHs, 68 APs)				-
	Assistance to find replacement location to move the house to (by net income per day from the affected shop for 30 days)	household	200	9	1,800.0
	Transportation assistance	household	200	9	1,800.0
	Transitional assistance	household	168.48	68	11,456.6

No	Items	Unit	Average unit price	Quantity	Amount (USD)
	- Households with loss of standalone shops (3 AHs, 9 APs)				-
	Assistance to find replacement location to move the house to (by net income per day from the affected shop for 30 days)	household	200	3	600.0
	Transportation assistance	household	200	3	600.0
7.3.2	For informal settlers (14 AHs, 115 APs)				
	- Households with loss of houses (12 AHs, 108 APs)				
	Transportation assistance	household	200	12	2,400.0
	Transitional assistance	household	168.48	108	18,195.8
	- Households with loss of house-cum-shops (2 AHs, 7 APs)				
	Transportation assistance	household	200	2	400.0
	Transitional assistance	household	168.48	7	1,179.4
7.3.3	For two companies (2 households, 8 persons living in the affected shops/warehouses)				-
	- Assistance to find replacement location to move the house to (by net income per day from the affected shop for 30 days)				-
	Coffee warehouse	company	5000	1	5,000.0
	Dyke company	company	10,000	1	10,000.0
	- Transportation assistance	household	400	2	800.0
A.2	INCOME RESTORATION PROGRAM				309,000.0
8	IRP supporting to eligible households				309,000.0
	- Vulnerable households losing 10% or more of their total income-generating assets by the Project	household	2,000	32	64,000.0
	- Relocated households who are non-vulnerable	household	1,000	125	125,000.0
	- Vulnerable households who have to relocate	household	1,500	80	120,000.0
B	Other costs				80,000.0
9	Cost for external monitoring		lump-sum		70,000.00
10	Cost for grievance resolution		lump-sum		10,000.00
C	Administration cost 10% of total cost for compensation, supports, and resettlement = 10% x A1				1,031,085.2
D	Total (D= A + B + C)				11,421,937.6
E	CONTINGENCY COST (2% of D)				228,438.8
F	Grand Total = D + E				11,650,376.4

IRP = Income Restoration Program; RCS = Replacement Cost Study; and SAH = Severely Affected Household; VAH = Vulnerable Affected Household

11. INSTITUTIONAL ARRANGEMENTS

142. The main responsibilities of key institutions in the implementation of the ULACSP are summarized below.

143. The Executing Agency (EA) of the Project is the Council for the Administration of the Infrastructure Fund (CAFI) and the Implementing Agency (IA) will be the Ministry of Transport and Communications (MOTC). The Government established the Integrated Project Management Unit (IPMU) under the authority of the members of the Government responsible for the Project (i.e., Interministerial Commission (IMC), as per Prime-Minister's Dispatch No. 078/PM/VIII/2020) that has responsibility to oversee the project monitoring and reporting of all development partners involved in the PNLIA development and report to the IMC. The IPMU is responsible for undertaking the day-to-day project management and assist the National Procurement Commission (NPC) with the preparation of bidding documents for civil works and terms of reference for consultants' services. The NPC is to procure civil works using open competitive bidding, and recruit consultants' services contracts using quality- and cost-based selection in accordance with ADB's Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The IPMU was composed of two teams:

- Institutional Team – composed of the representatives of the relevant ministries and agencies (Ministry of Planning and Ordination, MOF – NDPPP, MOTC, Major Projects Secretariat, National Designated Authority, NPC, ANATL, AACTL, and others);
- Technical Team – composed of several professional consultants with high standard technical expertise selected by competitive tender and supported by a Construction Supervision Consultant (CSC).

144. The IPMU was established formally through a Government's Resolution and was fully operational by June 2021. During the transition period - until the Project Manager and Deputy Project Manager and some essential staff are recruited - IPMU's required activities will be carried out by the representatives of the relevant agencies included in IPMU Institutional Team who are currently part of the IMWG.

145. The Technical Team of the IPMU is recruited through competition process based on merit, and the respective Terms of Reference is drafted in a rigorous and demanding manner. The IPMU Technical Team is staffed with the following consultants:

- Project Manager
- Deputy Project Manager
- Technical Officers:
 - Civil Engineering Coordinator/Chief Technical Engineer (CTE) (with wide experience in Airport development)
 - Administration and Logistics Manager
 - Counsel
 - Financial Management Expert
 - Contract Manager
 - Environmental Safeguards Expert
 - Social Safeguards Expert

- Civil Engineer
- Marine engineer
- Communication Expert

146. The IPMU has overall responsibility for preparation of an addendum to the agreed ULACSP governing the compensation, assistance for the additional land acquisition required for the Project, full development of the IRP, securing the CAFI or IMC approval of the ULACSP, securing adequate human and financial resources, overseeing the agreed ULACSP and any addendum(s) implementation, monitoring, and coordination with relevant ministries and local government agencies for land acquisition and resettlement related activities. The IPMU is assisted by one International Resettlement Specialist from the Capacity Building Consultants and the Construction Supervision Consultant (CSC) who have one national and one international safeguards experts to support the Government in implementing and monitoring the ULACSP and preparing supplementary safeguards documents required during implementation, if any. The IPMU will ensure that:

- The ULACSP is approved by IMC and CAFI, cleared by ADB and disclosed to AHs and on the website prior to its implementation. If additional impacts are identified, an addendum to the ULACSP will be prepared covering such impacts and will be approved by CAFI or IMC, cleared by ADB and disclosed to the AHs and on ADB website prior to its implementation.
- The ULACSP and any addendums agreed between the Government and ADB is implemented in full and in a timely manner, and in accordance with all applicable laws and regulations of Timor-Leste and ADB's SPS (2009).
- In case of any inconsistency between Government laws and ADB's policy, the gap will be addressed through discussion and mutual agreement; noting that ADB's SPS (2009) is applied for all ADB-supported projects.
- All APs are given adequate opportunity to participate in resettlement planning and implementation.
- Counterpart funds for resettlement activities are provided according to the ULACSP budget and project schedule.
- Any additional costs in excess of the ULACSP budget estimates are met within the project schedule; and,
- Adequate human and financial resources are committed to supervising and monitoring implementation of the ULACSP. Quarterly internal and external social monitoring reports are to be submitted as scheduled, within one month after the end of each monitoring period.
- No physical or economic displacement will occur until compensation at full replacement cost has been paid and other entitlements listed in the agreed ULACSP have been provided to the AHs.

147. **CAFI.** The Project will be implemented under the oversight of the CAFI. The main role of the CAFI is to oversee and coordinate at decision making level the PNLIA development program as per Prime Minister's Dispatch No. 078/PM/VIII/2020.

148. **Inter-Ministerial Working Group (IMWG).** The IMWG functions as a technical team to facilitate, coordinate and oversee the implementation of the Project and provides recommendation to the IMC for appreciation and final decision. That also includes ensuring technical, social, economic, legal and financial requirements for the Project are fulfilled. Furthermore, the IMWG is also performing evaluation roles for all the project activities including the implementation of the ULACSP. It comprises of representatives

from MOTC, AACTL, ANATL, Ministry of Finance, National Development Authority, Major Projects Secretariat, Ministry of Public Works, Ministry of Planning and Ordination, and Ministry of Foreign Affairs and Cooperation. The composition of the IMWG follows the dispatch of the Prime Minister No. 079/PM/VIII/2020 dated 25 August 2020.

149. Joint Committee for Land Acquisition and Compensation (JCLAC). The JCLAC was established comprising of representatives from Ministry of State of Administration, Ministry of Justice, Ministry of Planning and Territory, Ministry of Public Works, MOF, MOAF, Ministry of Interior, MOTC, ANATL, and AACTL. The JCLAC will be supported by the IPMU in finalizing, implementing, and monitoring the ULACSP and any addendums to the ULACSP. In detailed, the JCLAC takes responsibility for fulfilling the following tasks.

- Make a survey of all the data and information necessary for the elaboration of the Plan of Availability of the necessary land for the Project, including, among others, the identification and location of the properties; ownership of the properties and any other relevant data regarding the legally protected rights and/or interests of the affected populations; mechanisms for restoring incomes and livelihoods; socio-economic assessment of affected populations; calculation of reference market values;
- Prepare and execute the work plan for the development of the Plan of Availability of the necessary land for the Project according to the goals that for this purpose are defined by the Government, with detailed identification of the tasks and entities government officials responsible for executing these;
- Elaborate the Plan of Availability of the necessary lands for the Project, including the mechanisms proposed for the voluntary and/or involuntary acquisition of said lands, under the terms of the law;
- Ensure the technical coordination of the various government departments with competences and intervention in the scope of the development and execution of the Plan for Making the Land available for the Project;
- Ensure that interested parties and development partners have access to accurate and up-to-date information relevant to the development and execution of the Plan for the Availability of the land necessary for the Project;
- Promote compliance with all technical, social, financial and legal requirements necessary for the development and execution of the Plan for Making the Land Available for the Project;
- Perform the other tasks determined by the aforementioned members of the Government.
- In coordination with IPMU to provide necessary support to the relocation households who cannot find suitable place to relocate to; discuss with Land and Property Directorate, local authorities, IPMU and relevant agencies to come-up with the solutions and supporting measures to ensure that physically displaced households can find and purchase the suitable plot for relocation.

150. Dili Municipal Administrators are responsible for assisting IPMU and JCLAC in preparation of the ULACSP and any ULACSP addendums and making compensation and assistance payments for the AHs.

151. Local authorities (Suco chief and aldeia chief) are responsible for assisting in the preparation of the ULACSP and any addendums, conducting and facilitating consultations, confirmation of eligible AHs and their assets as well as resolving grievances at the suco level.

152. International Resettlement Consultant under Capacity Building Consultants. The consultant will be mobilized to undertake the following tasks.

- Brief the EA, IA, and other participating government agencies, including local government, on the Project resettlement policy; provide capacity-building support throughout project implementation as needed.
- Based on the confirmed land acquisition footprint and detailed engineering design, support the JCLAC and IPMU in carrying out surveys and studies required to verify the identified project land acquisition and resettlement impacts and assess the adequacy of proposed mitigation measures and/or other measures to ensure that AHs are not disadvantaged by Project investments.
- Review and provide recommendations regarding the ULACSP²¹ prepared during project preparation, including carrying out meaningful consultations with AHs.
- Assist JCLAC and IPMU, and other project implementation support consultants²² in designing a detailed IRP for SAHs and VAHs. Provide guidance in implementation of the same.
- Assist JCLAC and IPMU to disclose the ULACSP and all updates, if any, to affected communities and general public in a form and language they can understand and in an easily accessible place, before submission to ADB for clearance. This can be in a form of a PIB, a summary ULACSP, or the full ULACSP. The PIB or summary ULACSP will clearly state that copies of complete the ULACSP (both in English and local language(s) are available to the public and can be obtained from the (Suco and Aldeia) offices.
- Together with the IPMU safeguards officers, review progress reports and monitor involuntary resettlement safeguards compliance of project implementation. Alert the EA and IPMU to any resettlement issues that arise during project implementation and assist the IPMU in preparation of any corrective actions reports required, and quarterly internal social monitoring reports.
- Support project review missions by conducting a prior spot check of the Project area and activities, documenting findings, and participating in review missions.

153. Construction Supervision Consultant (CSC). The CSC will provide support to the IPMU on procurement activities, contract management, quality control, safeguards implementation and project performance monitoring. The CSC is responsible for the various tasks, including the tasks related to social safeguards as below. One national resettlement specialist and one international senior resettlement specialist will be mobilized to assist the IPMU in monitoring of the ULACSP implementation.

- Ensure compliance with the environmental and social impact mitigation requirements of design and build contract and provide information to ADB on those processes in the monthly progress reports
- Prepare, compile, and submit to the EA all consolidated semi-annual reports (monthly and quarterly progress reports; periodic social and environmental monitoring reports; financial reports) as required that are related to the progress of the contractor's performance, work quality, and financial forecast of work.

Monitor the contractor's compliance with the project's specific social safeguards

²¹ For this project, it is the Land Acquisition, Compensation, and Support Plan.

²² For example, Social Development Specialist

issues and environmental plan, ensure all the environmental mitigation requirements are complied with, and prepare consolidated reports.

154. **External Resettlement Monitor:** An external monitor will be recruited by CAFI prior to the ULACSP implementation to verify satisfactory implementation of the ULACSP. Quarterly external resettlement monitoring reports will be prepared by the external resettlement monitor. The external monitor will also prepare a post-resettlement evaluation report 6 months after completion of all land acquisition and resettlement activities, including the IRP of the Project.

155. **Capacity Assessment and Capacity Development Needs.** IMWG, JCLAC, and involved Government's agencies (ANATL, MOP, MOAF, NDLPCS, and others) are new to ADB-financed projects and ULACSP preparation, updating, implementation and monitoring – particularly with ADB's SPS (2009). An orientation training on key principles and requirements of ADB's SPS (2009) was provided by TRTA Social Safeguards Team in December 2020 to the IMWG members and representatives of involved agencies in land acquisition and resettlement of the Project; however, it is assessed that the capacity of the agencies is still not adequate; therefore, it is required that capacity building measures regarding involuntary resettlement are provided to staff of the agencies during the finalisation and implementation of the ULACSP. During the ULACSP implementation, ADB safeguards specialists will also provide trainings and safeguards clinics as needed.

156. Prior to finalizing and during implementation of the ULACSP, the international resettlement expert under the Capacity building consultants will provide trainings on the ULACSP implementation and monitoring to the staff of the involved agencies. The trainings will focus on:

- Resettlement principles and policy (ADB's SPS (2009) and the relevant laws and regulations of the Government);
- Resettlement planning procedures, including integration of social safeguards in land use planning with an understanding that social safeguards are essentially precautionary measures to protect local people from any infringement on their rights to land, natural resources, knowledge, culture, practices, and all social attributes that are central for fulfilling their basic rights;
- The need to avoid, or minimize involuntary resettlement impacts by considering all technical alternatives, in particular using vacant government land where possible, and taking all possible measures in design and selection of site or alignment;
- The need to avoid land acquisition and involuntary resettlement impacts on vulnerable persons;
- Resettlement implementation procedures and sequence of activities;
- Methodology for compensation assessment and replacement cost principles;
- Data management system;
- Public participation and consultation objectives and procedures, ensuring that all planning and design interventions and decisions are taken in consultation with local communities in a gender sensitive manner;
- Documentation of all consultations and concerns expressed by public and their resolution following GRM;
- IRP planning and implementation - ensuring that all APs are able to improve, or at least, restore their incomes and livelihood to pre-project levels.
- Extending assistance to people who do not own property but are nonetheless will be affected by the proposed projects, including groups with communal and/or traditional tenure arrangements (if any), renters, wage-earners, and those without legally recognized rights to land and property that they occupy or use.
- Monitoring and evaluation.

- Issues of finalization, implementation and monitoring of the ULACSP of the Project.

157. Following approval of the Project, preparation of the ULACSP and formal approval of the ULACSP and disbursement of compensation and assistance will be required prior to any displacement. Key steps to implement the ULACSP are set out below:

- The IPMU submits the ULACSP to ADB for review and concurrence;
- ADB reviews the ULACSP and provides comments. Revisions (if any) are incorporated and concurrence provided by ADB;
- Disclosure of the agreed ULACSP;
- A detailed compensation and support plan will be prepared for each AH;
- Compensation and assistance payment will be made to all AHs and affected companies;
- The APs will be notified of the date, place, and required documents for claiming compensation at least one week in advance. No demolition or relocation will take place until the APs are paid full compensation and provided assistance as per the entitlement matrix, including resettlement; and
- MOTC will hand over the sections with resettlement impacts to the contractor only after payments of compensation and supports for the APs are completed and livelihood restoration measures are in place.

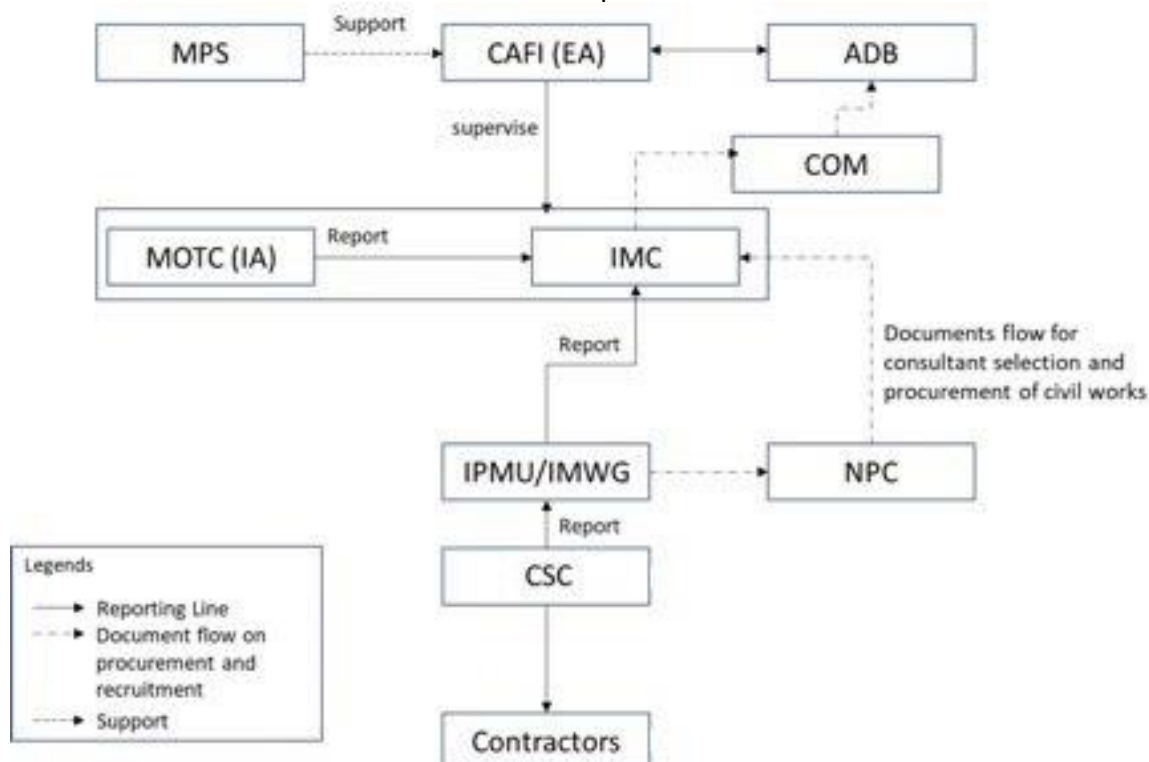


Figure 7: Organization Framework

158. Table 52 shows the indicative ULACSP implementation schedule for key activities. Government of Timor-Leste confirmed that the final boundary they approved corresponds to final land acquisition and resettlement footprint for the Project.

Table 52: Indicative Schedule of ULACSP Implementation

	Activities	Timeframe
1	Preparation of the ULACSP based on the RCS, the confirmed impacts, and the issued Resolution of the Government on compensation unit rates for land and	October 2022 – March

	Activities	Timeframe
	assets for the Project.	2023
2	Official submission by Borrower of the ULACSP to ADB for review, clearance	April 2023
3	Disclosure of the final ULACSP	May 2023
4	Preparation of the detailed compensation and support plans for each affected household	After ADB clearance of ULACSP (target May 2023)
5	Disbursement of compensation and assistance payment	May, 2023
6	Finalization of IRP, report preparation, and implementation of the IRP	May, 2023
7	Land acquisition, displacement of AHs (after full compensation payment, IRP in place), will be section by section	Quarter 3, 2023
8	Grievance Resolution	Continuous, until resolution
9	Internal monitoring (quarterly monitoring reports) to commence upon loan effectiveness or activities to prepare the ULACSP, whichever comes earlier	May, 2023 onwards
10	Mobilization of EMO for first monitoring (semiannual monitoring reports), to commence upon loan effectiveness or activities to prepare the ULACSP, whichever comes earlier	June, 2023 onwards
11	Preparation of ULACSP addendum(s) (if unanticipated impacts results after DED)	2023 - 2024

AHs = Affected Households; DED = Detailed Engineering Design; EMO = External Monitoring Organization; IMWG = Inter-Ministerial Working Group; IPMU = Integrated Project Management Unit; IRP = Income Restoration Program; JCLAC = Joint Committee for Land Acquisition and Compensation; ULACSP = Updated Land Acquisition, Compensation, and Support Plan; LAR = Land Acquisition and Resettlement; and RCS = Replacement Cost Study.

12. MONITORING AND REPORTING

159. The Project will establish systems for internal and external monitoring and evaluation. The main purpose of the monitoring and evaluation program is to ensure resettlement and acquisition of land and properties and mitigation measures identified within this document have been implemented as planned and check if the measures are adequate and effective. External monitoring and evaluation, in particular, will focus on the social impacts on the APs, sufficiency of entitlements and assistance, and whether or not the APs have been able to restore their standard of living to at least pre-Project condition.

160. The objectives of the monitoring and evaluation program are to:

- Record the progress in compensation payment and other resettlement activities;
- Ensure that the implementation of the ULACSP has produced the desired outcomes;
- Monitor whether or not the timelines are being met;
- Assess if compensation and other assistance are in accordance with the compensation policy defined in the ULACSP and in compliance with the ADB's SPS requirements;
- Identify problems or potential problems; and
- Identify immediate/ rapid response methods to mitigate problems or potential problems.

12.1. Internal Monitoring

161. Internal monitoring on land acquisition, compensation and support for the AHs will be carried out by the IPMU. The internal monitoring will be performed through (i) meeting with Administration Offices and village heads; (ii) holding FGDs with representatives of SAHs and VAHs in each aldeia; (iii) holding FGDs with households with loss of business; (iv) meeting with marginally AHs; and (v) interviews with affected company owners. All data and numbers and other statistics on progress in land acquisition and resettlement will be disaggregated by gender. Each monitoring report will describe the methodology used for that monitoring period. The focus of internal monitoring will be as follows:

- Confirmation of the number of SAHs (relocated households and those who will lose 10% or more than of 10% of total production landholding/income-generating assets of the household), the number of marginally AHs, and the number of VAHs;
- Progress in the implementation of land acquisition and resettlement: amounts disbursed in compensation and cash assistance and date these are given to the AHs by the Project and those given to the households affected by the construction of the new school and new bridge; and progress in the payment of compensation and cash assistance, and in the clearing of the affected area vis-à-vis the schedule of resettlement indicated in the agreed ULACSP.
- Compensation and assistance to the affected company owners and the employees are provided as per the provisions in the Entitlement Matrix.
- Number of households who have land and assets that are temporarily and or additionally affected during construction, quantity of land and assets (structures,

trees, etc.) that is temporarily and or additionally affected, progress and issues of the payment of compensation by the construction contractor to the households.

- Information dissemination and public participation: the number of public consultation meetings held during the implementation of the ULACSP; the number of AHs participating in the meetings; comments, suggestions and concerns of the AHs and how these were addressed; languages used in consultation meetings.
- Progress in the implementation of the IRP: which income restoration activities have been implemented and status of their implementation (in subsequent monitoring periods, inquire on whether or not the income restoration activities carried out or are being implemented are effective).
- Grievance redress: number of AHs with complaints including those with land title disputes with the State or individuals, nature of the complaints, status of the resolution of the complaints; assessment of efficiency of the GRM; and the time bound action plan to full resolve any complaints pending during the monitoring period.

162. Gender concerns: participation of women in meetings and in the implementation of resettlement; concerns of women in connection with their resettlement, how these concerns are addressed, and resolution of their grievances. During subsequent monitoring periods, the IPMU will look into whether or not corrective actions agreed to address resettlement issues in the past monitoring period have been resolved.

163. The Table 53 below provides the recommended internal land acquisition and resettlement monitoring indicators. IPMU will conduct internal resettlement monitoring quarterly and submit quarterly internal resettlement monitoring reports to CAFI and ADB for review.

Table 53: Suggested Internal Monitoring Indicators

Issues	Internal Monitoring Indicators
Institutional Arrangements	<ul style="list-style-type: none"> • Update/confirm institutional arrangements set out in ULACSP • Actual deployment of safeguards-related staff within IPMU vis-à-vis proposed safeguards staff in ULACSP. Include description of job functions. • Actual capacity development training provided: number of trainings, number of staff trained (disaggregated by gender) vis-à-vis planned trainings in ULACSP.
Progress in ULACSP implementation with respect to land clearance and handing over of land for civil works	<ul style="list-style-type: none"> • Acquisition of land <ul style="list-style-type: none"> ○ Area of productive land acquired ○ Area of residential land acquired ○ Area of [other types] land acquired • Acquisition of structures <ul style="list-style-type: none"> ○ Number, type and size of private houses/structures acquired ○ Number, type and size of community buildings acquired ○ Number, type and size of government assets affected ○ Number, type and size of secondary structures affected/acquired • Acquisition of trees and crops <ul style="list-style-type: none"> ○ Number and type of private trees acquired ○ Number and type of government/community trees acquired ○ Number and type of crops acquired ○ Crops destroyed by area, type and number of owners ○ Number of seedlings supplied by type

Issues	Internal Monitoring Indicators
	<ul style="list-style-type: none"> • No. AHs provided full compensation (computed at rates and procedures as provided in the agreed ULACSP), allowances, and assistance (including resettlement assistance) by location/project component; • Actual funds disbursement schedule/planned disbursement schedule (as per agreed ULACSP) by location; • Total budget disbursed to AHs as of this monitoring period • Issues affecting timely land clearance <ul style="list-style-type: none"> ○ Grievances (including non-agreement to compensation) – number of grievances resolved/number of grievances received ○ Unresolved encumbrances ○ Funding constraints ○ Other • Projected and actual date of award of civil works contract(s)
Disclosure, Consultation & Participation	<ul style="list-style-type: none"> • Disclosure of ULACSP [implementation of agreed disclosure measures] <ul style="list-style-type: none"> ○ Dissemination and posting of translated ULACSP by location/date; ○ Project Information Booklets (PIBs) translated in to Tetum and disseminated to AHs by location/date; ○ Public consultation meetings/location/date, with number of participants disaggregated by sex, (not including project staff) ○ Documentation of issues raised by public consultation participants and how these have been/will be addressed by the project team ○ Percentage of public consultation minutes maintained by IPMU • Consultation activities <ul style="list-style-type: none"> ○ [as against consultation & participation plan in ULACSP] ○ [attach revised C&P Plan if needed] ○ Other meetings/other consultation methods (e.g. FGDs; key informant interviews; dedicated meetings with women, and other vulnerable groups, etc.) ○ Quantification and disaggregation (by sex of AP) of participation • Stakeholder participation (iteration, roles of CBOs/mass organizations)
Resettlement Assistance	<ul style="list-style-type: none"> • Number and Percentage of AHs with houses and/or independent stores fully affected by location • Number and Percentage of AHs that can rebuild on remaining land vs Number and Percentage of AHs requiring relocation • Number and Percentage of AHs opting for self-relocation vs Number and Percentage of AHs opting for replacement land or other relocation assistance from the Project. • Number of AHs who have received replacement productive land/ No of eligible AHs • Number of land titles/certificate and land survey certificates issued per type of land • Status of resettlement sites (if required) <ul style="list-style-type: none"> ○ Number of houses built/houses required ○ Resettlement sites completed – community infrastructure complete (water, electricity, drainage, roads, etc.) by location and date; ○ Resettlement sites pending– community Infrastructure complete (water, electricity, drainage, roads, etc.) by location and date; ○ Number of plots acquired by location (where dedicated resettlement site not provided) • Handover of resettlement plots <ul style="list-style-type: none"> ○ Plots occupied/plots available ○ Number of plots handed over/AHs opting for self-relocation by location/date;

Issues	Internal Monitoring Indicators
	<ul style="list-style-type: none"> ○ Progress of AHs rebuilding by location ○ Number and Percentage of AHs rebuilding in the replacement land that the AHs self-relocate to ○ Number and Percentage of AHs rebuilding on own land ● Issues identified with proposed and completed remedial measures
Livelihood Restoration [initial thoughts]	<ul style="list-style-type: none"> ● Update of economic displacement data, including number of AHs who will experience temporary vs. permanent economic displacement, and number of AHs who will be severely affected due to project impacts on their livelihood/income sources; ● Provision of compensation for economic loss: number of AHs/AHs (disaggregated by gender) provided full compensation and assistance for economic displacement by location/project component; ● Number of eligible AHs; ● Income restoration measures/activities by type and location <ul style="list-style-type: none"> ○ Types of training provided ○ Number of participants per training disaggregated by gender ○ Number of APs placed in jobs (disaggregated by gender)/ APs targeted for job placement (if relevant) ○ Others ● Number and Percentage of participating HHs/AHs eligible ● Narrative of process/actions taken to prepare income restoration program (IRP) ● Updated IRP (as appropriate) ● Institutional arrangements and resource requirements ● Implementation schedule: actual implementation of IRP activities vis-à-vis planned implementation (as per ULACSP) ● Engagement of service provider(s)
Operation of GRM [tabular format]	<ul style="list-style-type: none"> ● Number of new grievance cases for reporting period ● Number of cases received ● Number of cases resolved/# cases by location/date ● Number of cases progressed to next level ● Average time to resolve cases by location/project component ● Number of cases where land/property compulsorily acquired ● (Number of cases where compensation is placed in escrow account for the above) ● Summary of type of grievance issue/location
Vulnerable APs	<ul style="list-style-type: none"> ● Number of VAHs by type and location ● Specific actions planned as per agreed ULACSP ● Specific measures implemented as of this monitoring period (including number and percentage of vulnerable AHs assisted) <ul style="list-style-type: none"> ○ Number of vulnerable APs (disaggregated by gender) employed for project-related jobs; ○ Others;
Special Issues	<ul style="list-style-type: none"> ● Resolution of issues raised in previous reports ● [ditto] ADB monitoring ● [ditto] External Monitoring Agency (EMA) report ● Resource/funding constraints ● Changes in scope of impacts ● Temporary impacts during civil works (quantities, number of AHs, location, types, etc.) and status of restoring temporarily affected assets
Other issues	<ul style="list-style-type: none"> ● Progress of settling the land title disputes of the AHs

Issues	Internal Monitoring Indicators
	<ul style="list-style-type: none"> • Comparison between the entitlements on compensation, assistance, and relocation in the agreed ULACSP and ULACSP addendums. • Progress of land acquisition, compensation payment for the AHs affected by the construction of the new school and the new bridge. • Progress of corrective actions (if any)

12.2. External Monitoring

164. A qualified and experienced external monitor will be engaged by CAFI prior to ULACSP implementation to perform quarterly monitoring to verify the internal monitoring information. Quarterly external resettlement monitoring reports will be submitted by the external monitor to CAFI and ADB for review. The specific tasks expected to be undertaken by the external monitor are to:

- Advise on safeguard compliance issues;
- Prepare a corrective action plan if any significant involuntary resettlement issues are identified to address such issues. Until such planning documents are formulated, disclosed and approved, MOTC will not proceed with implementing the specific project components for which involuntary resettlement impacts are identified;
- Review public consultations with APs;
- Scrutinize the Complaint Register that will be held by JCLAC;
- Review all compensation payments for acceptance and eligibility;
- Monitor implementation of the IRP including its effectiveness on women and vulnerable groups;
- Examine the capacity of the chief of Madohi suco, staff of ANATL, JCLAC and other relevant agencies in resolving complaints at all levels;
- Assess whether AHs are better off/not worse off following resettlement; and
- Prepare monitoring reports (semiannual) and post-resettlement evaluation report in a format agreed by CAFI and ADB.

165. The external monitor will focus on the following specific issues and indicators:

a. Consultations with AHs and their knowledge on the entitlements

- Relevant documents (ULACSP and PIB) shall be provided to the AHs.
- AHs are informed and consulted adequately about the project design, entitlements on land acquisition, and resettlement; implementation schedule of resettlement activities and civil works; income restoration activities, and GRM.

b. Compensation and assistances provisions

- All AHs shall be compensated adequately and satisfactorily to replace assets affected before the land is acquired.
- Compensation for affected structures is equal to replacement costs of materials and labor based on the standards and typical structures of works, and free from reduction or salvaging of old materials.
- All types of assistances/allowances as envisaged in the ULACSP is provided accordingly to the AHs.
- Compensation and assistance to the affected company owners and the employees are provided as per the provisions in the Entitlement Matrix.
- All temporary and additional impacts during construction is compensated based on the provisions of the entitlement matrix in the ULACSP.

- Confirmation that all compensation and assistance payments meet the requirement of compensation at full replacement cost (as defined by ADB SPS, 2009).
 - Entitlements on compensation, assistance, and relocation of the AHs affected by the construction of the new school and the new bridge may be upgraded but not downgraded compared to those specified in the agreed ULACSP.
- c. Income restoration and livelihood development
- Restoration of production of AHs, particularly SAHs and VAHs including accessibility of farmland (number of AHs reporting more/less/same access to any farmland)
 - Level of income restoration, living standard, and livelihood development of the AHs after land acquisition and compensation/resettlement in comparison with those before land acquisition (number of AHs reporting increases/no change/reduction in income, number of AHs reporting positive changes/negative changes to livelihoods as a direct result of project activity, number of AHs reporting suffering from food shortages, etc.)
 - Any problems that AHs are facing on restoring the affected income and livelihoods, standards of living, and suggestions on how to address these issues.
- d. Relocation
- All physically APs will relocate and shall be provided with transportation assistance and other assistance as envisaged in the ULACSP before the land is acquired by the Project;
 - Security of tenure of the relocating AHs in their new location.
- e. Level of AHs' satisfaction
- Assessing the level of satisfaction of AHs on different aspects of ULACSP implementation (information dissemination and public consultation, compensation payment, compensation unit rates, and development, rehabilitation measures and recovery of livelihood and standards of living, etc.).
 - Assessing the level of satisfaction of AHs on the resolution of grievances.
- f. Coordination between the resettlement activities and construction schedule
- Civil works can only commence when (i) compensation and assistances has been paid in full to all AHs; (ii) the agreed IRP is in place; and (iii) the acquired land is free from all encumbrances.
- g. Gender Issues
- Participations of women in various land acquisition and resettlement activities; impacts of land acquisition and resettlement on women's livelihoods; and issues of income restoration of women.

12.3. Reporting

166. Monitoring reports will focus on the indicators described in the agreed ULACSP, and include documentation of consultations, confirmation of payment of compensation and provision of all entitlements²³ in line with the ULACSP agreed between Government

²³ Including supporting documentation.

and ADB, sufficiency of entitlements for AHS' to restore themselves to at least pre-project condition, GRM updates and progress in grievance resolution, any issues encountered during ULACSP and time-bound actions to address these issues. Quarterly internal and semiannual external social monitoring reports will be submitted to ADB with first monitoring reports due from the period in which ULACSP preparation activities²⁴ commence. The external monitor will prepare a post-resettlement evaluation report 6 months after completion of all land acquisition and resettlement activities, including the IRP. All social monitoring reports will be disclosed locally and uploaded to ADB's website.

167. The **IPMU, with support of PMC and CSC**, will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project.

²⁴ Such as consultations, supplemental surveys including replacement cost study, etc.