METRO MANILA URBAN TRANSPORT INTEGRATED PROJECT

POLICY FRAMEWORK

FOR

LAND ACQUISITION, RESETTLEMENT AND REHABILITATION

Department of Public Works and Highways

Manila, Philippines

May 2001

FILE COPY
# Resettlement Policy

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1. INTRODUCTION

DPWH is aware that in the implementation of MMURTRIP, the following key social concerns will have to be addressed:

   a. Involuntary Resettlement
   b. Public Consultation and Participation
   c. Protection of Marginalized and Vulnerable Groups

DPWH will, therefore, undertake during the pre-feasibility and environmental screening stage of project preparation a Social Impact Assessment (SIA) exercise and Land Acquisition Assessment (LAA) to study the types, degree and scale of impacts of the project. Particular attention will be paid to adverse impacts to the affected community, such as loss of land and other fixed assets and the number of persons marginally or severely affected. Where possible, appropriate modifications to the project will be made in order to avoid or minimize adverse impacts. However, if adverse impacts are inevitable, appropriate mitigating measures will be adopted precisely for the purpose of minimizing foreseeable socio-economic effects that a project will have on the people. To help ensure this, a resettlement action plan (RAP) will be prepared by the Department.

DPWH has formulated the *Land Acquisition, Resettlement and Rehabilitation Policy*, hereinafter called as the ‘Resettlement Policy’, to govern MMURTRIP projects relative to land acquisition, compensation, and resettlement of project-affected persons (PAPs) and vulnerable communities.

This Resettlement Policy will aim to achieve the following:

   a. Adverse social impacts of road projects are avoided, minimized, and/or mitigated;
   b. PAPs are provided with compensation at replacement cost and assistance for lost assets which will assist them to improve or at least maintain their pre-Project standards of living; and
   c. Everybody will benefit from the projects.

The LARR Policy will serve as the overall framework in the preparation of RAPs for projects to be implemented under the World Bank-assisted MMURTRIP. Included in this policy are the principles and objectives used; a rundown of existing legal, regulatory and policy framework within which the Policy has to operate; compensation matrix; general procedures to be followed to ensure public support; and, provisions for internal and external monitoring.
2. DEFINITION OF TERMS

a) **Compensation** means payment in cash or in kind for an asset to be acquired or affected by an infrastructure project at replacement cost as provided in Section 2.j below.

b) **Cut-off Date** is the date of commencement of the census of affected persons within the project area boundaries. Persons not covered in the census are not eligible for claims for compensation.

c) **Disturbance Assistance** is the amount given to each PAP who holds full title, tax declaration or some proof of traditional ownership (such as usufruct when the PAP belongs to an indigenous community), to the land where his/her severely affected house stands and who has to shift elsewhere.

d) **Financial Assistance** is the cash amount paid to agricultural tenants/settlers/occupants severely affected by the project equivalent to the average gross harvest for the last 3 years but not less than PhP15,000 per ha (EO 1035), aside from the cash payment/compensation of their crops actually damaged by the project. It may also be given to owners of the land acquired under CA 141 for the area of portion subject to section 112 thereof.

e) **Land Acquisition** means the process whereby a person is compelled by the Government to alienate all or part of the land he/she owns or possesses, to the ownership and possession of the government, for public purpose in return for a consideration.

f) **Professional Squatters** means individual or groups of individuals who squat on publicly and privately owned land for purposes of renting out to third parties (a) such land whether for farming or housing plots purposes, or b) structures (houses and businesses) whether already existing in the land or constructed by them thereon, with full knowledge that they have no legal right or claim to such land or the use thereof. This definition excludes individuals or groups that simply rent land and housing from professional squatters or squatting syndicates. The implementation agency in collaboration with the community leaders of the Affected Persons will establish and publish in the affected area a list of persons who fall within this definition. Within thirty (30) days of publication any person included in such list may petition and seek a review of his/her status through the grievance procedure referred to in Section 7.3 of this Policy Framework.

g) **Project Affected Family (PAF)** consists of all members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the project. For resettlement purposes, Project Affected Persons (PAPs) will be dealt with as members of Project Affected Families (PAFs).

h) **Project Affected Person (PAP)** means a person who on account of the project, would have his or her: (i) standard of living adversely affected; or (ii) right, title or interest in any house, or interest in or right to use any land (including premises, agricultural and grazing land) or right in annual or perennial crops and trees or any other fixed or movable
asset, acquired or possessed, temporarily or permanently; or (iii) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently, and “Project Affected Persons” means, collectively, all persons who qualify as an Project Affected Person.

i) **Relocation** means the physical shifting of a PAP from his/her pre-project place of residence.

j) **Replacement Cost** means the method of valuation of assets which helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. The replacement cost is determined by an independent appraiser applying internationally recognized valuation standards, hired by either the project, or by a court of law as compensation for:

i. Agricultural or residential land;
ii. Houses and other related structures based on current market prices of materials and labor with no deductions for salvaged building materials;
iii. Crops based on current replacement cost; and
iv. Trees and other perennials based on DENR or those of the independent consultant’s.”

With regard to land and structures, replacement cost is defined as follows: For agricultural land, it is the pre-project or pre-displacement, which ever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of land preparation to levels similar to those of the affected land, plus the cost of any registration and transfer taxes; for land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes; for houses and other infrastructures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors’ fees, plus the cost of any registration and transfer taxes.

In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset.

k) **Resettlement** means all measures taken to mitigate any and all adverse social impacts of a project on the PAPs, including compensation and relocation as needed.

l) **Social Assessment** is a framework for incorporating social analysis and participatory process in project design and implementation.
3. OBJECTIVES AND PRINCIPLES OF THE RESETTLEMENT POLICY

3.1 Overall Philosophy of the Resettlement Policy

This Resettlement Policy is anchored on the philosophy that government projects must serve the common good. However, in the design and implementation of such projects, all efforts must be exercised to ensure that:

a) Adverse social and physical impacts are avoided, minimized and/or mitigated;
b) Everybody, including PAPs, will benefit from the projects;
c) PAPs are provided with compensation at replacement cost and assistance for lost assets which will assist them improve or at least maintain their pre-Project standard of living; and
d) Project stakeholders (which include PAPs) are consulted regarding the project’s design, implementation and operation.

3.2 Principles of Resettlement

The following principles will be applied in this Resettlement Policy:

a. Acquisition of land and other assets and shifting of people will be avoided or minimized as much as possible.

b. Only those PAPs found to be residing in, doing business, or cultivating land, or having rights over resources within, the project area as of the date of the census surveys (i.e., cut-off date) are eligible for compensation for lost assets.

c. In following the objective of the Resettlement Policy that displaced persons will be assisted in their efforts to improve their livelihood and standards of living, or at least to restore them to the pre-project level, and to meet the provisions of World Bank Operational Directive 4.30 and the provisions of RA 8974, the DPWH will compensate the PAPs for the affected assets at their replacement cost as the term is defined in 2j of the Resettlement Policy. The replacement cost would be determined by an accredited or licensed independent appraiser applying internationally recognized valuation standards. Proof of ownership over a piece of land may be established through possession of a title or tax declaration, or customary law (e.g., usufruct, possessory rights) or other acceptable proof of ownership. The absence of legal title or legal right by PAPs shall not be a bar to compensation.

d. If the PAP rejects the compensation at replacement cost offered by the DPWH as compensation for the land, the DPWH or the PAP may take the matter to a court of law. When expropriation proceedings through the court are resorted to by DPWH, the DPWH will deposit with the court in escrow the whole amount of the replacement cost (100%) it
Resettlement Policy

DPWH

is offering the PAP for his/her land as compensation to allow the DPWH to proceed with the works. Such amount will be the replacement cost of the assets as determined by an accredited or licensed independent appraiser applying internationally recognized valuation standards. The PAP will receive the replacement cost of the assets within one (1) month following receipt of the decision of the court.

e. The DPWH will compensate the PAP for improvements and structures at replacement cost as determined by an accredited or licensed independent appraiser applying internationally recognized valuation standards.

f. If the PAP rejects the compensation at replacement cost offered by the DPWH as compensation for improvements and other structures, e.g., main structures and/or miscellaneous structures, plants and trees of commercial value, the DPWH or the PAP may take the matter to a court of law. When expropriation through the court is resorted to by the DPWH, the DPWH will deposit with the court in escrow the whole amount of the replacement cost (100%) it is offering the PAP for such assets as compensation to allow the DPWH to proceed with the works. Such amount will be the replacement cost of the assets as determined by an accredited or licensed independent appraiser applying internationally recognized valuation standards. DPWH would only proceed with the works after the amount was deposited in escrow. The PAP will receive the replacement cost of the assets within one (1) month following receipt of the decision of the court. The PAP may keep the salvageable materials.

g. PAPs losing all of their improvements and structures (e.g., farmland, house), or incurring partial loss where the remaining assets are economically viable for continues use, compensation for the affected assets will be paid in cash at replacement cost.

h. In the case of PAPs affected by partial impact on their assets, i.e., less than 20% loss of land or structures, and where the remaining assets are economically viable for continued use, compensation for the affected assets will be paid in cash at replacement cost.

i. PAPs who are squatting on the ROW at the Cut-Off Date will be compensated at replacement cost for the structures, trees of commercial value and crops. To achieve the objectives of this Resettlement Policy, at the PAPs choice, for the land they are squatting on they will be provided with a plot of land in an existing municipal resettlement site in the vicinity or with rehabilitation assistance to maintain their pre-Project standards of living.

j. Financial assistance to agricultural tenants/settlers/occupants severely affected by the project equivalent to the average annual gross harvest for the last 3 years but not less than PhP15,000 per ha (EO1035), aside from the cash payment/compensation of their crops actually damaged by the project. Disturbance compensation to agricultural lessees severely affected by the project equivalent to 5 times the average gross harvest during the last 5 years (EO 1035).
DPWH

Resettlement Policy

k. DPWH will provide the following resettlements assistance to eligible PAPs consistent with Section 5 of RA 8974:

k.1 Disturbance assistance not to exceed PhP10,000 to each PAP doing business on severely-affected independent shops (e.g., store, shop, warehouse, and similar structures) which are constructed on lands that are covered by titles, tax declaration that can be perfected into a title, or some proof of traditional ownership.

k.2 Disturbance assistance not to exceed PhP10,000 to each PAP for his/her severely affected house on land that is covered by full title, tax declaration that can be perfected into a title, or some proof of traditional ownership (such as usufruct when the PAP belongs to an indigenous community) and who have to shift elsewhere.

k.3 Granting of rehabilitation assistance in the form of special skills training or other development activities to PAPs whose only source of income is severely impacted and which will require the PAP to engage in some other income-earning activities. This rehabilitation assistance may also be granted to vulnerable groups, like indigenous peoples, women, elderly, etc. DPWH will coordinate closely with concerned government agencies that have the mandate and the expertise to undertake rehabilitation assistance, such as the conduct of skills training.

k.4 Transportation assistance (in cash or in kind, depending on the mutual agreement of the PAP and the DPWH) to PAPs who are relocating, including shanty dwellers in urban areas who opt to go back to their places of origin (e.g., province) or to shift to government relocation sites.

l) Replacement of residential and agricultural lands will be as close as possible to the land that was lost. All replacement land for residence, commerce and agriculture will be provided with secured tenure status.

m) Where relocation is considered necessary, the lot owner of the proposed relocation site will also be entitled to compensation for his/her land. The receiving LGU (i.e., the LGU under whose political jurisdiction the relocation site is located) may apply for assistance with DPWH for the provision of basic services, such as streetlights and improved access road, for the community where the relocation site is to be constructed.

n) Plans for the acquisition of land and other assets will be carried out in consultation with the PAPs who will receive prior information of the compensation options available to them.

o) Any acquisition of, or restriction on access to resources owned or managed by PAPs as a common property will be mitigated by arrangements ensuring access of those PAPs to equivalent resources on a continuing basis.

p) Resettlement programs will include adequate institutional arrangements to ensure effective and timely design, planning, consultation and implementation of compensation and resettlement.
DPWH will ensure effective coordination with relevant agencies for the implementation of the resettlement plan.

q) Adequate arrangements will be made for effective and timely supervision, internal and external monitoring of the implementation of the RAP.

r) The resettlement transition period will be minimized and the acquisition of assets needed for the project (by way of a Writ of Possession in the event of expropriation proceedings), as well as all resettlement activities including compensation, will be completed at least one month prior to the commencement of construction work.

s) The DPWH will only issue bidding documents for the works once the resettlement has been completed in accordance with this Resettlement Policy including compensation in full to all PAPs.
4. INSTITUTIONAL AND LEGAL FRAMEWORK

4.1 Institutional Framework

The overall responsibility for enforcing this Resettlement Policy, including preparation of necessary Resettlement Action Plans and/or other documents, and for implementing the RAPs, rests with the DPWH. To ensure that this policy is carried out effectively in a project, DPWH will designate an ‘External Monitoring Agent’ to monitor the effectiveness of resettlement activities. The Department will make special efforts to ensure good community relationship and to promptly address compensation problems and complaints. The DPWH will ensure that PAPs are afforded opportunities for active and affective participation in the preparation and implementation of the RAPs.

Funds for planning and implementing resettlement activities will be provided by the DPWH based on budgetary requirements established in the RAPs.

4.2 Legal Framework

The overall objective of the Resettlement Policy is derived from the Bill of Rights of the Constitution of the Republic of Philippines:

Article III, Section 1: No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.

Article II, Section 9: Private property shall not be taken for public use without just compensation.

The World Bank’s Operational Directive 4.30 concerns for due process and the right to just compensation for everybody. The guiding principle of OD 4.30 is that adverse impacts by a development project must be avoided or minimized, with appropriate resettlement measures, and that affected people are given the opportunity to share project benefits with the rest of the population.

Other applicable laws, Executive Orders, Administrative Orders, and derivative Department Orders in the country are provided below.

a) PD 17, Revised Highway Act

- It is illegal to use, occupy and convert any portion of the ROW.
Resettlement Policy

b) EO113 (1995) and EO 621 (1980)

- National Roads will have a ROW of at least 20 m in rural areas and may be reduced to 15 m in highly urbanized areas.
- ROW will be at least 60 m in unpatented public land.
- ROW will be at least 120 m through natural forested areas of aesthetic or scientific value.

c) EO 1035, providing for the conduct of:

- Feasibility study.
- Public information campaign.
- Parcellary survey.
- Assets inventory.

Other features of the Executive Order are:
- Land acquisition based on fair replacement cost to be negotiated between the owner and the appraisal committee.
- Resettlement/relocation of tenants, farmers and other occupants.
- Financial assistance to displaced tenants, cultural minorities and settlers equivalent to the average annual gross harvest for the last 3 years and not less than PhP15,000 per ha.
- Disturbance compensation to agricultural lessees equivalent to 5 times the average gross harvest during the last 5 years.
- Compensation for improvements on land acquired under Commonwealth Act 141.
- Government has power to expropriate in case agreement is not reached.

d) PD 1818 (1981)

- Rules that no court can issue restraining orders or preliminary injunction in cases involving infrastructure and mineral resource development projects of the government.

e) MO 65, Series of 1983

- Lists various modes for the acquisition and payment of compensation for ROW, such as:
  - Easement of ROW where the owner is paid the land value to use the land but the owner still retains ownership over the same.
  - Quit claim where the Government has the right to acquire 20/60 m of the land acquired through CA 141. Only improvements will be compensated.
  - Expropriation if other options fail. The government agency concerned has the right to take immediate possession, control and disposition of the property.
f) **Supreme Court Ruling (1987)**

- Defines just compensation as fair and full equivalent for the loss sustained, taking into account improvements, location, capabilities, etc.
- The value given by the appraisal committee can only serve as a guide for negotiation.
- P.D.76, PD 464 (Section 92), PD 794 (Section 92), and PD No. 1533 (Section 1), defining the basis for payment of ‘just compensation’ as the lower of the value declared by the owner or administrator for private property, were declared unconstitutional by the Supreme Court in case G.R. No 59602, entitled “EPZA” vs. CFI, Bn. XVI Lapu-Lapu City and San Antonio Dev. Coop.


g) **DO 142 (1995)**

- Aims to avoid unnecessary delays in civil works.
- Inclusion of parcellary plans and cost estimates for ROW acquisition in detailed engineering stage.
- EO 1035 and MO 65 will still be followed in matters relating to the acquisition and compensation of private properties.

h) **Republic Act 6389**

- Provides for disturbance compensation to agricultural lessees equivalent to 5 times the average gross harvest in the last 5 years.

i) **Republic Act 7279 (1992)**

- Prohibits construction of illegal structures on “danger areas”.
- Eviction and demolition of such illegal structures without compensation.
- Amended by RA 8368 (1997), which provides that squatter houses built before 1983 are entitled to relocation assistance prior to their displacement.

j) **AO 50 (1999)**

- Fair compensation to be based on zonal value + 10%.
- If this fails, government agency will initiate expropriation proceedings and the following parameters will be considered in determining compensation:
  - Classification and use for which the property is suited
  - Developmental costs for improving the land
  - Value declared by the owner
  - Current selling price of similar lands in the vicinity
  - Reasonable disturbance compensation for the removal and/or demolition of certain improvements on the land and for the value of improvements thereon
  - Size, shape or location, tax declaration and zonal valuation of the land
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➢ Price of the land as manifested in the ocular findings, oral as well as documentary evidence presented
➢ Facts and events so as to enable the affected property owners to have sufficient funds to acquire similarly-situated lands of approximate areas as those required from them by the government, and thereby rehabilitate themselves as early as possible

k) RA 8974 (2000)

- Negotiated sale between the DPWH and the PAP based on the following standards to determine the fair market value:
  a) The classification and use for which the property is suited;
  b) The development costs for improving the land;
  c) The value declared by the owners;
  d) The current selling price of similar lands in the vicinity;
  e) The reasonable disturbance compensation for the removal and/or demolition of certain improvements on the land and for the value for improvements thereon;
  f) The size, shape or location, tax declaration and zonal valuation of the land;
  g) The price of the land as manifested in the ocular findings, oral as well as documentary evidence presented; and
  h) Such facts and events as to enable the affected property owners to have sufficient funds to acquire similarly-situated lands of approximate areas as those required from them by the government, and thereby rehabilitate themselves as early as possible.

- In the case of expropriation, DPWH shall immediately pay the owner: a) 100% of the value of the property based on the BIR zonal valuation, and b) the value of improvements / structures. If the owner contests the Agency’s offered value, the court shall determine the just compensation within 60 days, taking into account the above facts mentioned standards.
- Reiteration of the provisions of RA 7279 regarding squatter relocation

l) The provisions of this Resettlement Policy supplement the above legal framework mentioned in a) to k) above.
5. **COMPENSATION MATRIX**

The matrix below will be used in the settlement of claims for compensation for lost assets of PAPs based on the aforementioned principles (Chapter 3) and legal framework (Chapter 4). Unless otherwise indicated, payment of compensation and other entitlements and the extension of assistance will be given to PAP households, not individuals.

<table>
<thead>
<tr>
<th>Type of Loss</th>
<th>Application</th>
<th>Entitled Person</th>
<th>Compensation</th>
</tr>
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<tbody>
<tr>
<td>1. Arable land by the road project and the remaining land is still economically viable</td>
<td>Actual area needed</td>
<td>Owners with full title, tax declaration (i.e., legalizable), or who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>For the portion of the land needed: +Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy. +Cash compensation for trees of commercial value and crops at market value as provided in 2 j of the Resettlement Policy. +PAP will be given sufficient time to harvest crops.</td>
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<td></td>
<td>and the remaining land is still economically viable</td>
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<tr>
<td>PAPs without title, tax declaration, or are not covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>For the portion of the land needed: +Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy. +Cash compensation for trees of commercial value and crops at market value as provided in 2 j of the Resettlement Policy. +Financial assistance to make up for land preparation in the amount to be determined an independent appraiser based on cost analysis. +No compensation for the land.</td>
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<tr>
<td>Remaining land becomes economically not viable (i.e., PAP losing &gt;20% of land holding or even when losing &lt;20% but the remaining land is not economically viable anymore)</td>
<td>Owners with full title, tax declaration (i.e., legalizable), or who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy. +Disturbance assistance of PhP 15,000 +PAP will be given sufficient time to harvest crops +Cash compensation for trees of commercial value as determined by the DENR or the Independent Land Appraiser. +If relocating, PAP to be provided free transportation +Rehabilitation assistance (skills training and other development activities) will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and the PAP will have to engage in a new income activity. +Cash compensation for trees of commercial value and crops at market value as provided in 2 j of the Resettlement Policy.</td>
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### Resettlement Policy

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<td></td>
<td>PAPs without title, tax declaration, or are not covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Financial assistance equivalent to the average annual gross harvest for the past 3 years but not less than PhP15,000</td>
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<td>+PAP will be given sufficient time to harvest crops</td>
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<td>+Cash compensation for trees of commercial value and crops at market cost as provided in 2 j of the Resettlement Policy.</td>
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<td>+Financial assistance to make up for land preparation in the amount to be determined an independent appraiser based on cost analysis</td>
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<td>+Rehabilitation assistance (skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and the PAP will have to engage in a new income activity.</td>
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#### Agricultural lessees

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<td>As per RA 6389 and EO 1035:</td>
<td>+Disturbance compensation equivalent to five times the average of the gross harvest on the land holding during the five preceding years but not to exceed PhP15,000.</td>
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<td>+Cash compensation for trees of commercial value and crops at market cost as provided in 2 j of the Resettlement Policy.</td>
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<td>+PAP will be given sufficient time to harvest crops</td>
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<td>+Rehabilitation assistance (skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and the PAP will have to engage in a new income activity.</td>
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#### c. Temporary use of land

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<th>Compensation</th>
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<tbody>
<tr>
<td></td>
<td>All PAPs</td>
<td>+Compensation to be provided for loss of income during the period, standing crops, cost of soil restoration and damaged structures</td>
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#### 2. Residential land and/or Commercial land

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<td></td>
<td>Owners with full title, tax declaration (i.e., legalizable), or who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>For the portion of the land needed:</td>
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<td>+Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy.</td>
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<tr>
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<td>+Cash compensation for trees of commercial value and crops at market value as provided in 2 j of the Resettlement Policy.</td>
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This applies whether they are squatting on private or government owned land

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<tbody>
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<td></td>
<td>This applies whether they are squatting on private or government owned land</td>
<td>For the portion of land needed:</td>
<td></td>
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<td></td>
<td></td>
<td>+No compensation for land</td>
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<tr>
<td></td>
<td></td>
<td>+Cash compensation for trees of commercial value as and crops at market value as provided in 2 j of the Resettlement Policy.</td>
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<tr>
<td>b. Actual area needed by the road project is greater than 20% of the total and the remaining land is still viable</td>
<td>Owners with full title, tax declaration (i.e., legalizable), or who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy or; ‘land for land’ will be provided in terms of a new parcel of land of equivalent market value, at a location acceptable to PAP, and with long-term security of tenure. The replacement land should be of acceptable size under zoning laws or a plot of equivalent value, whichever is larger, in a nearby resettlement area with adequate physical and social infrastructure.</td>
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<tr>
<td></td>
<td>This applies whether they are squatting on private or government owned land</td>
<td>+Cash compensation for trees of commercial value and crops at market value as provided in 2 j of the Resettlement Policy.</td>
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<td></td>
<td></td>
<td>+PAPs will be provided with a plot of land in an existing municipal resettlement site in the vicinity or with cash rehabilitation assistance to maintain their pre-Project standards of living</td>
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<tr>
<td></td>
<td></td>
<td>+Cash compensation for trees of commercial value and crops at market value as provided in 2 j of the Resettlement Policy.</td>
<td></td>
</tr>
<tr>
<td>d. Temporary use of land</td>
<td>All PAPs</td>
<td>+Compensation to be provided for loss of income during the period, standing crops, cost of soil restoration and damaged structures</td>
<td></td>
</tr>
<tr>
<td>3. Main Structures (e.g., house, house cum shops)</td>
<td>a. Structure, with or without a building permit, partially affected and the remaining structure is still viable for continued use.</td>
<td>Owners of structure with full title or tax declaration (i.e., legalizable) to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+ Cash compensation at replacement cost for the affected portion of structure as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deduction for salvageable building materials. +PAPs who have businesses affected due to partial impact are entitled to a subsistence allowance for the loss of income during the reconstruction period, to be determined by the independent appraiser.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Owners of structures, including shanty dwellers in urban areas, have no title or tax declaration to the land or other acceptable proof of ownership. This applies whether they are squatting on private or government owned land.</td>
<td>+Compensation in cash for affected portion of the structure, including the cost of restoring the remaining structure, by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deductions for salvageable building materials. +Shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation.</td>
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<td></td>
<td>+Professional squatters will not receive compensation but they can collect their salvageable materials</td>
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<td></td>
<td>+PAPs who have business affected due to partial impact are entitled to a subsistence allowance for the loss of income during the reconstruction period, to be determined by the independent appraiser.</td>
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<tr>
<td></td>
<td>Renters (tenants) of leased affected structures, including renters of shanty dwellings in urban areas</td>
<td>+Given 30 days notice on the schedule of demolition +For house tenants renting structures outside of, or within the ROW, and who have to transfer elsewhere, free transportation will be provided +Renting shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation</td>
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<td></td>
<td>Owners of structures with full title or tax declaration (i.e., legalizable) to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Compensation in cash for the entire structure at replacement cost as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deduction for salvageable building materials +Disturbance assistance of PhP10,000 per PAP (household) +If relocation is necessary, free transportation will be provided +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity. +PAPs who have business affected due to severe impact will be entitled to a subsistence allowance for the loss of income during the reconstruction period not less than their monthly income or PhP 15,000 for each PAF.</td>
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</tr>
<tr>
<td>b. Entire structure affected or when the remaining structure becomes not viable for continued use, with or without a building permit</td>
<td>Owners of structures, including shanty dwellers in urban areas, have no title or tax declaration to the land or other acceptable proof of ownership.</td>
<td>+Compensation in cash for the entire structure at replacement cost as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deductions for salvageable building materials. +Shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation. +If relocation is necessary, free transportation will be provided +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity. +Professional squatters will not receive compensation but they can collect their salvageable materials +PAPs who have business affected due to partial impact are entitled to a subsistence allowance for the loss of income during the reconstruction period, to be determined by the independent appraiser.</td>
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<td>+Renting shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation.</td>
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<td>+Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity.</td>
<td></td>
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<td></td>
<td>+Professional squatters will not receive compensation but they can collect their salvageable materials</td>
<td></td>
</tr>
<tr>
<td>Independent shops (structures)</td>
<td>a. Shops, with or without building permit, partially affected and the remaining structures are still viable for continued use.</td>
<td>Owners of structure with or without full title or tax declaration to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Compensation in cash for the entire structure at replacement cost as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2a and 2j of the Resettlement Policy with no deductions for salvageable building materials +PAPs will be entitled to transitional allowance to cover for their computed income loss during the demolition and reconstruction of their shops or an amount not to exceed a one month of their computed income to be determined by the independent appraiser</td>
</tr>
<tr>
<td></td>
<td>b. Entire shop affected OR when the remaining structure becomes not viable for continued use, with or without a building permit</td>
<td>Owner of structure with or without full title or tax declaration to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Cash compensation at replacement cost for the affected portion of the structure as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2a and 2j of the Resettlement Policy with no deductions for salvageable building materials +Disturbance assistance of PhP 10,000 per PAP (household) +Free transportation will be provided if relocating +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity. +Professional squatters will not receive compensation but they can collect their salvageable materials</td>
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<tr>
<td></td>
<td>c. Shops, with or without building permit, partially affected and the remaining structures are still viable for continued use.</td>
<td>Renters</td>
<td>+PAPs will be entitled to transitional allowance to cover for their computed income loss during the demolition and reconstruction of their shops or an amount not to exceed one month of their computed income to be determined by the independent appraiser</td>
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<td>d. Entire shop affected or when the remaining structure becomes not viable for continued use, with or without a building permit</td>
<td>Renters</td>
<td>+Given 30 days notice on the schedule of demolition +Shop renters will be entitled to transitional allowance to cover for their computed income loss during the demolition and reconstruction of their shops or an amount of their computed income to be determined by the independent appraiser of one month. +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity. +PAPs will be provided free transportation for their families and belongings, if relocating either temporarily or permanently.</td>
<td></td>
</tr>
<tr>
<td>5. Other fixed assets or structures</td>
<td>Loss of, or damage to, affected assets, partially or entirely</td>
<td>PAPs</td>
<td>+Compensation in cash for affected portion of the structure, including the cost of restoring the remaining structure, as determined by the concerned appraisal committee, with no depreciation or deduction for salvaged building materials.</td>
</tr>
<tr>
<td>6. Electric and/or water connection</td>
<td>Loss of, or damage to, affected assets, partially or entirely</td>
<td>PAPs</td>
<td>+Compensation to cover cost of restoring the facilities</td>
</tr>
<tr>
<td>7. Public Facilities</td>
<td>Loss of, or damage to, public infrastructure (e.g., public water tanks, tram lines, bus stop sheds, loading platform, public health center, barangay center, electric or telephone lines, etc.)</td>
<td>Concerned agencies</td>
<td>+Compensation in cash at replacement cost to respective agencies.</td>
</tr>
</tbody>
</table>
6. APPLICATION OF THE PARTICIPATORY PROCESS TO THE PROJECT CYCLE

6.1 Project Preparation Stage

There are 3 main stages in project preparation, namely:

1. Pre-feasibility
2. Feasibility
3. Detailed engineering design

Each main activity has a series of sequential activities where participation is required.

a) Pre-feasibility

Step 1: The URPO, assisted by the Environmental Impact Assessment Project Office (EIAPPO) and the Action Office on Resettlement of Squatter Families (AORSF) will hold a preliminary meeting with concerned communities. The objectives of this meeting are to:

a) Explain the general concept of the road project
b) Discuss/explain the requirements of the road project and its likely impacts

c) Present tentative schedule of activities

d) Create awareness and appreciation among the communities about the project

e) Set a general orientation meeting with communities at the barangay level.

Step 2: General Orientation of the Community

Before undertaking any survey activity in the community, the Project Team (URPO with the EIAPO, MMDA and AORSF) will conduct a meeting to orient and ensure that the community understands the nature and extent of the proposed project. Awareness of the project will facilitate the data-gathering process and ensure the quality of data provided by the community to the project team.

The community orientation will be facilitated by officials of the barangay who attended the orientation meeting conducted earlier at the municipal office.

The suggested agenda for the General Community Orientation are:

a) Overview of the project, including overall objectives and merits of the same

b) Identification and discussion of the likely impacts of the project

c) Activities to be undertaken and their schedule, such as technical surveys, water resources assessment, social impact study, environmental impact assessment, etc.

b) Expected roles of the community during the conduct of the abovementioned technical studies.

Step 3: EIA/Social Assessment

The Project Team will assess the positive and adverse impacts of the project, number of households likely to be affected, types of impacts, tenure status, need for acquisition of private assets, relocation of people, etc.

c) Feasibility

Step 4: RAP preparation
Based on the results of the SIA, a census and a full-blown socio-economic survey of PAPs\(^1\), including among others, an inventory of affected assets, will be conducted as an important step in drafting an appropriate resettlement action plan (RAP). Said RAP will include the amount and the process to be employed in the payment of compensation to PAPs.

**Step 5: Orientation of Stakeholder**

Upon completion of the draft RAP, the Project Team will brief concerned communities (i.e., municipal and barangay level as necessary), with the view that a general agreement will be achieved on the following:

a) Resettlement program

b) Relocation sites, if needed

c) Role of communities in RAP implementation

**Step 6: Consultation with the Community**

Still part of the process to finalize the draft RAP, consultation(s) with affected communities at the barangay level will be undertaken. For this purpose, the Project Team shall prepare a Public Information Leaflet containing a brief description of the project, including compensation policy for affected private properties.

The affected communities will also be informed on the mechanics and procedures for public participation and consultation, grievance redressal procedures, and the resettlement program. Likewise, the community’s suggestions regarding relocation site(s) will be solicited, and, where warranted, its preferences for the mode of compensation for affected fixed assets (i.e., cash or land-for-land).

**Step 7: The Project Team will finalize the RAP**

d) Finalization of technical design

**Step 8: The Project Team will orient the affected communities on the final version of the RAP and its implementation, the results of the environmental impact study and the prepared environmental management plan, and the project’s detailed engineering (technical) designs.**

6.2 **Project Implementation Stage**

\(^1\) Census will be undertaken for all types of PAPs. Census covers general information on the PAP, such as demographic information and properties affected. Socio-economic surveys will cover only those who are severely affected by the project. Information to be gathered includes household income, expenditures, skills, etc. The information gathered will serve as benchmark data for those preparing, implementing, and evaluating the RAP designed for them.
Step 9: Setting-up of various Committees as required by the project and the RAP, such as the Resettlement Implementation Committee (RIC). PAPs will be represented with full voting power in these committees.

Step 10: Participation in Implementation

Whenever feasible, PAPs will be contracted in the implementation of the various activities of the project, such as reconstruction of damaged dwelling units and construction of small infrastructure units, like ripraps and retaining walls.

Step 11: Monitoring of RAP implementation

The Project Team will enlist the participation of PAPs in the monitoring of RAP implementation. Representation of the PAPs in the internal monitoring of the implementation of the RAP will provide a more accurate reading of the local community’s feelings and reactions. Specifically, internal monitoring will focus on: (i) seeing to it that the RAP is implemented as designed and approved, and (ii) verifying if funds for implementing the RAPs are provided by project authorities in a timely manner and in amounts sufficient for their purposes, and that such funds are used in accordance with the provisions of the RAP.

An independent agency or agencies will be retained by the DPWH to carry out external monitoring and evaluation of the implementation of RAPs. The independent agencies may be NGOs, academic or research institutions or independent consulting firms, with qualified and experienced staff and with terms of reference acceptable to the Bank.

6.3 Post Project Implementation Stage

Step 12: Evaluation of RAP implementation

A composite body of representatives from the Project Team, concerned communities, the various committees formed, and PAPs will be formed to conduct an evaluation of the RAP upon completion of its implementation. The coverage of the evaluation will include RAP preparation and actual implementation. Strengths and weaknesses of the whole process of the RAP will be identified for the purpose of drawing lessons from them. Said lessons will guide the DPWH in future projects.
7. INSTITUTIONAL REQUIREMENTS OF RESETTLEMENT

7.1 DPWH

The URPO is overall responsible for implementing the project. In coordination with relevant agencies, the URPO will manage and supervise the project, including resettlement activities and land acquisition. It shall ensure that funds for the timely implementation of the RAP are available and that expenses are properly accounted for. The URPO will be assisted by the EIAPO in providing technical guidance and support in the implementation of the RAP.

a) Environment Impact Assessment Project Office (EIAPO)

The EIAPO will provide technical guidance and support in the implementation of the RAP and will be responsible for the following resettlement activities:

a. overall preparation and planning of the RAP;
b. submitting RAP budget plans (to include compensation, relocation costs, operation) for approval and allocation of needed resources by the DPWH central office;
c. in accordance with the Department’s resettlement policies, guiding the Resettlement Implementation Committees (RICs) in their tasks, such as the verification of PAPs, final inventory of affected assets, and information dissemination;
d. amending or complementing the RAP in case problems are identified during the internal and/or external monitoring of its implementation;
e. in collaboration with its counterpart in the region, following-up with the DPWH Regional Office the processing of compensation claims of PAPs;
f. in collaboration with its URPO, MMDA monitoring the actual payment of compensation to PAPs; and,
g. in collaboration with its regional counterpart, preparing periodic supervision and monitoring reports on RAP implementation for submission to the URPO and the Bank.

b) Action Office on Resettlement of Squatter Families (AORSF)

Successful implementation of the RAP will require close coordination with the AORSF. The AORSF will be the principal and regular representative of URPO in the RICs. Together with the EIAPO the AORSF will extend technical support to the RIC in relation to RAP implementation.

7.2 Resettlement Implementation Committee (RIC)

The RIC will be set up and shall be composed of the following:

a. Representative of the Municipal/City Government
b. Representative of the PAPs
Resettlement Policy

DPWH

c. Representative of the indigenous people (IP) within the project area, if there are any
d. A senior member of the staff of DPWH District Engineering Office
e. Representative of the concerned Barangay Government
f. Representative from an NGO or people’s organization (PO)

The representative of the DPWH from the AORSF will be the RIC’s Chairperson and Convenor. The Committee will have the following functions:

a. assist the EIAPO in (i) validating the list of PAPs; (ii) validating the assets of the PAPs that will be affected by the project (using a prepared compensation form); and (iii) implementing the RAP;
b. assist the EIAPO in public information campaign, public participation and consultation;
c. assist the URPO in the payment of compensation to PAPs;
d. receive complaints and grievances from PAPs and other stakeholders and act on them accordingly;
e. maintaining record of all public meetings, complaints, and actions taken to address complaints and grievances;
f. in coordination with concerned government authorities, assist in the enforcement of laws/ordinances regarding encroachment into the project road corridor.

7.3 Grievance Procedures

Grievance related to any aspect of the or sub-project will be handled through negotiations and are aimed at achieving consensus following the procedures outlined below:

a) Grievance will be filed by the PAP with the RIC who will act within 15 days upon receipt thereof, except complaints and grievances that specifically pertain to the valuation of affected assets, since such will be decided upon by the proper courts;

b) If no understanding or amicable solution can be reached, or if the PAP does not receive a response from the RIC within 15 days of registry of the complaint, he/she can appeal to the Office of DPWH URPO Project, through the EIAPO, which should act on the complaint/grievance within 15 days from the day of its filing;

c) If the PAP is not satisfied with the decision of the Office of DPWH URPO Project, he/she, as a last resort, can submit the complaint to a court of law.

PAPs will be exempted from all administrative and legal fees incurred in pursuant to the grievance redress procedures.

All complaints received in writing (or written when received verbally) from the PAPs will be documented.
## 8. ROLES AND RESPONSIBILITIES OF DPWH AND THE COMMUNITIES

<table>
<thead>
<tr>
<th>Project Process Stage</th>
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<th>Responsible Institution</th>
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<tbody>
<tr>
<td>Preparation</td>
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<tr>
<td>Pre-feasibility</td>
<td>1. Meeting with representative of communities affected to give them an overview of the proposed infra project</td>
<td>URPO, MMDA, AORSF and EIAPO, NCR, Reg. IV-A &amp; District Offices</td>
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<tr>
<td></td>
<td>2. General Orientation Meeting with representative of communities affected at the barangay-level preparatory to the conduct of technical, environmental and social studies relative to the proposed infrastructure project</td>
<td>MMDA as lead, supported by URPO, AORSF and EIAPO reps NCR, Reg. IV-A &amp; District reps.</td>
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<td></td>
<td>3. Conduct of EIA and/or SIA</td>
<td>EIAPO Central, assisted by URPO/AORSF, NCR, Reg. IV-A &amp; District offices</td>
</tr>
<tr>
<td>Feasibility</td>
<td>1. RAP preparation, specifically the conduct of a census and socio-economic survey of PAPs</td>
<td>EIAPO assisted by URPO and MMDA</td>
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<tr>
<td></td>
<td>2. Consultation with the affected communities on the draft RAP</td>
<td>EIAPO offices with stakeholder reps</td>
</tr>
<tr>
<td></td>
<td>3. Finalization of RAP</td>
<td>EIAPO Central with reps from URPO and MMDA</td>
</tr>
<tr>
<td>Finalization of Technical Design</td>
<td>1. Orientation of affected communities regarding the final version of the RAP, including the mechanics of its implementation</td>
<td>EIAPO with reps URPO, MMDA and AORSF, NCR, Region IV-A &amp; district Offices</td>
</tr>
<tr>
<td>Implementation</td>
<td>1. Setting-up of the RAP Implementation Committee (with LGU representative)</td>
<td>EIAPO with MMDA &amp; URPO</td>
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<td>2. Community participation in the implementation of the RAP and EMP</td>
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<tr>
<td></td>
<td>3. Internal monitoring of RAP implementation</td>
<td>- do -</td>
</tr>
<tr>
<td>Post-Implementation</td>
<td>1. Summing-up evaluation of the RAP, to cover its preparation and implementation</td>
<td>EIAPO assisted by URPO and MMDA</td>
</tr>
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9. COSTS AND BUDGETS

Each RAP will include detailed cost estimates for compensation and relocation of PAPs, if that be the case, with a breakdown by category of PAPs; agricultural, residential and business land; houses, structures and other fixed assets affected; transport assistance when shifting PAPs; phases of the project and by financial year. Cost estimates will make adequate provisions for contingencies.

The total cost of the RAP will be included in the cost of the project. In the case of cost overruns due to unforeseen circumstances or delays, the DPWH will allocate additional funds as necessary.

On the basis of the approved RAP, funding for the implementation of the resettlement plan will be forwarded to the District Office, which in turn is tasked to prepare and process the vouchers for payment of compensation to PAPs, relocation expenses, operational costs, etc.
10 May 2001

Mr. JITENDRA N. BAJPAI
Sector Manager
Transport Division
East Asia and the Pacific
The World Bank
Washington, D.C., USA

Subject: Metro Urban Transport Integration Project (MMURTRIP) - Policy Framework for Land Acquisition, Resettlement, and Rehabilitation (LARR)

Dear Mr. Bajpai,

We hereby submit the updated Policy Framework for LARR for MMURTRIP, which incorporates the modifications agreed on between the DPWH panel and yours during the videoconference on May 10, 2001.

Thank you and warm regards,

Very truly yours,

SIMON A. DATUMANONG
Secretary

Cc: Hon. Dante B. Carilla, NDDA
    Hon. Alberto Poncede, DOT
    Hon. Benjamin Abalos, MMDA
METRO MANILA URBAN TRANSPORT INTEGRATED PROJECT

POLICY FRAMEWORK

FOR

LAND ACQUISITION, RESETTLEMENT AND REHABILITATION

Department of Public Works and Highways

Manila, Philippines

May 2001
# Resettlement Policy

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9. Costs and Budget
1. INTRODUCTION

DPWH is aware that in the implementation of MMURTRIP, the following key social concerns will have to be addressed:

a. Involuntary Resettlement
b. Public Consultation and Participation
c. Protection of Marginalized and Vulnerable Groups

DPWH will, therefore, undertake during the pre-feasibility and environmental screening stage of project preparation a Social Impact Assessment (SIA) exercise and Land Acquisition Assessment (LAA) to study the types, degree and scale of impacts of the project. Particular attention will be paid to adverse impacts to the affected community, such as loss of land and other fixed assets and the number of persons marginally or severely affected. Where possible, appropriate modifications to the project will be made in order to avoid or minimize adverse impacts. However, if adverse impacts are inevitable, appropriate mitigating measures will be adopted precisely for the purpose of minimizing foreseeable socio-economic effects that a project will have on the people. To help ensure this, a resettlement action plan (RAP) will be prepared by the Department.

DPWH has formulated the Land Acquisition, Resettlement and Rehabilitation Policy, hereinafter called as the ‘Resettlement Policy’, to govern MMURTRIP projects relative to land acquisition, compensation, and resettlement of project-affected persons (PAPs) and vulnerable communities.

This Resettlement Policy will aim to achieve the following:

a. Adverse social impacts of road projects are avoided, minimized, and/or mitigated;
b. PAPs are provided with compensation at replacement cost and assistance for lost assets which will assist them to improve or at least maintain their pre-Project standards of living; and
c. Everybody will benefit from the projects.

The LARR Policy will serve as the overall framework in the preparation of RAPs for projects to be implemented under the World Bank-assisted MMURTRIP. Included in this policy are the principles and objectives used; a rundown of existing legal, regulatory and policy framework within which the Policy has to operate; compensation matrix; general procedures to be followed to ensure public support; and, provisions for internal and external monitoring.
2. DEFINITION OF TERMS

a) Compensation means payment in cash or in kind for an asset to be acquired or affected by an infrastructure project at replacement cost as provided in Section 2.j below.

b) Cut-off Date is the date of commencement of the census of affected persons within the project area boundaries. Persons not covered in the census are not eligible for claims for compensation.

c) Disturbance Assistance is the amount given to each PAP who holds full title, tax declaration or some proof of traditional ownership (such as usufruct when the PAP belongs to an indigenous community), to the land where his/her severely affected house stands and who has to shift elsewhere.

d) Financial Assistance is the cash amount paid to agricultural tenants/settlers/occupants severely affected by the project equivalent to the average gross harvest for the last 3 years but not less than PhP15,000 per ha (EO 1035), aside from the cash payment/compensation of their crops actually damaged by the project. It may also be given to owners of the land acquired under CA 141 for the area of portion subject to section 112 thereof.

e) Land Acquisition means the process whereby a person is compelled by the Government to alienate all or part of the land he/she owns or possesses, to the ownership and possession of the government, for public purpose in return for a consideration.

f) Professional Squatters means individual or groups of individuals who squat on publicly and privately owned land for purposes of renting out to third parties (a) such land whether for farming or housing plots purposes, or b) structures (houses and businesses) whether already existing in the land or constructed by them thereon, with full knowledge that they have no legal right or claim to such land or the use thereof. This definition excludes individuals or groups that simply rent land and housing from professional squatters or squatting syndicates. The implementation agency in collaboration with the community leaders of the Affected Persons will establish and publish in the affected area a list of persons who fall within this definition. Within thirty (30) days of publication any person included in such list may petition and seek a review of his/her status through the grievance procedure referred to in Section 7.3 of this Policy Framework.

g) Project Affected Family (PAF) consists of all members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the project. For resettlement purposes, Project Affected Persons (PAPs) will be dealt with as members of Project Affected Families (PAFs).

h) Project Affected Person (PAP) means a person who on account of the project, would have his or her: (i) standard of living adversely affected; or (ii) right, title or interest in any house, or interest in or right to use any land (including premises, agricultural and grazing land) or right in annual or perennial crops and trees or any other fixed or movable...
asset, acquired or possessed, temporarily or permanently; or (iii) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently, and "Project Affected Persons" means, collectively, all persons who qualify as an Project Affected Person.

i) **Relocation** means the physical shifting of a PAP from his/her pre-project place of residence.

j) **Replacement Cost** means the method of valuation of assets which helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. The replacement cost is determined by an independent appraiser applying internationally recognized valuation standards, hired by either the project, or by a court of law as compensation for:

i. Agricultural or residential land;
ii. Houses and other related structures based on current market prices of materials and labor with no deductions for salvaged building materials;
iii. Crops based on current replacement cost; and
iv. Trees and other perennials based on DENR or those of the independent consultant’s.”

With regard to land and structures, replacement cost is defined as follows: For agricultural land, it is the pre-project or pre-displacement, which ever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of land preparation to levels similar to those of the affected land, plus the cost of any registration and transfer taxes; for land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes; for houses and other infrastructures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors’ fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset.

k) **Resettlement** means all measures taken to mitigate any and all adverse social impacts of a project on the PAPs, including compensation and relocation as needed.

l) **Social Assessment** is a framework for incorporating social analysis and participatory process in project design and implementation.
3. OBJECTIVES AND PRINCIPLES OF THE RESETTLEMENT POLICY

3.1 Overall Philosophy of the Resettlement Policy

This Resettlement Policy is anchored on the philosophy that government projects must serve the common good. However, in the design and implementation of such projects, all efforts must be exercised to ensure that:

a) Adverse social and physical impacts are avoided, minimized and/or mitigated;
b) Everybody, including PAPs, will benefit from the projects;
c) PAPs are provided with compensation at replacement cost and assistance for lost assets which will assist them improve or at least maintain their pre-Project standard of living; and
d) Project stakeholders (which include PAPs) are consulted regarding the project’s design, implementation and operation.

3.2 Principles of Resettlement

The following principles will be applied in this Resettlement Policy:

a. Acquisition of land and other assets and shifting of people will be avoided or minimized as much as possible.

b. Only those PAPs found to be residing in, doing business, or cultivating land, or having rights over resources within, the project area as of the date of the census surveys (i.e., cut-off date) are eligible for compensation for lost assets.

c. In following the objective of the Resettlement Policy that displaced persons will be assisted in their efforts to improve their livelihood and standards of living, or at least to restore them to the pre-project level, and to meet the provisions of World Bank Operational Directive 4.30 and the provisions of RA 8974, the DPWH will compensate the PAPs for the affected assets at their replacement cost as the term is defined in 2j of the Resettlement Policy. The replacement cost would be determined by an accredited or licensed independent appraiser applying internationally recognized valuation standards. Proof of ownership over a piece of land may be established through possession of a title or tax declaration, or customary law (e.g., usufruct, possessory rights) or other acceptable proof of ownership. The absence of legal title or legal right by PAPs shall not be a bar to compensation.

d. If the PAP rejects the compensation at replacement cost offered by the DPWH as compensation for the land, the DPWH or the PAP may take the matter to a court of law. When expropriation proceedings through the court are resorted to by DPWH, the DPWH will deposit with the court in escrow the whole amount of the replacement cost (100%) it
Resettlement Policy

DPWH

is offering the PAP for his/her land as compensation to allow the DPWH to proceed with the works. Such amount will be the replacement cost of the assets as determined by an accredited or licensed independent appraiser applying internationally recognized valuation standards. The PAP will receive the replacement cost of the assets within one (1) month following receipt of the decision of the court.

e. The DPWH will compensate the PAP for improvements and structures at replacement cost as determined by an accredited or licensed independent appraiser applying internationally recognized valuation standards.

f. If the PAP rejects the compensation at replacement cost offered by the DPWH as compensation for improvements and other structures, e.g., main structures and/or miscellaneous structures, plants and trees of commercial value, the DPWH or the PAP may take the matter to a court of law. When expropriation through the court is resorted to by the DPWH, the DPWH will deposit with the court in escrow the whole amount of the replacement cost (100%) it is offering the PAP for such assets as compensation to allow the DPWH to proceed with the works. Such amount will be the replacement cost of the assets as determined by an accredited or licensed independent appraiser applying internationally recognized valuation standards. DPWH would only proceed with the works after the amount was deposited in escrow. The PAP will receive the replacement cost of the assets within one (1) month following receipt of the decision of the court. The PAP may keep the salvageable materials.

g. PAPs losing all of their improvements and structures (e.g., farmland, house), or incurring partial loss where the remaining assets are economically viable for continues use, compensation for the affected assets will be paid in cash at replacement cost.

h. In the case of PAPs affected by partial impact on their assets, i.e., less than 20% loss of land or structures, and where the remaining assets are economically viable for continued use, compensation for the affected assets will be paid in cash at replacement cost.

i. PAPs who are squatting on the ROW at the Cut-Off Date will be compensated at replacement cost for the structures, trees of commercial value and crops. To achieve the objectives of this Resettlement Policy, at the PAPs choice, for the land they are squatting on they will be provided with a plot of land in an existing municipal resettlement site in the vicinity or with rehabilitation assistance to maintain their pre-Project standards of living.

j. Financial assistance to agricultural tenants/settlers/occupants severely affected by the project equivalent to the average annual gross harvest for the last 3 years but not less than PhP15,000 per ha (EO1035), aside from the cash payment/compensation of their crops actually damaged by the project. Disturbance compensation to agricultural lessees severely affected by the project equivalent to 5 times the average gross harvest during the last 5 years (EO 1035).
k. DPWH will provide the following resettlements assistance to eligible PAPs consistent with Section 5 of RA 8974:

k.1 Disturbance assistance not to exceed PhP10,000 to each PAP doing business on severely-affected independent shops (e.g., store, shop, warehouse, and similar structures) which are constructed on lands that are covered by titles, tax declaration that can be perfected into a title, or some proof of traditional ownership.

k.2 Disturbance assistance not to exceed PhP10,000 to each PAP for his/her severely affected house on land that is covered by full title, tax declaration that can be perfected into a title, or some proof of traditional ownership (such as usufruct when the PAP belongs to an indigenous community) and who have to shift elsewhere.

k.3 Granting of rehabilitation assistance in the form of special skills training or other development activities to PAPs whose only source of income is severely impacted and which will require the PAP to engage in some other income-earning activities. This rehabilitation assistance may also be granted to vulnerable groups, like indigenous peoples, women, elderly, etc. DPWH will coordinate closely with concerned government agencies that have the mandate and the expertise to undertake rehabilitation assistance, such as the conduct of skills training.

k.4 Transportation assistance (in cash or in kind, depending on the mutual agreement of the PAP and the DPWH) to PAPs who are relocating, including shanty dwellers in urban areas who opt to go back to their places of origin (e.g., province) or to shift to government relocation sites.

l) Replacement of residential and agricultural lands will be as close as possible to the land that was lost. All replacement land for residence, commerce and agriculture will be provided with secured tenure status.

m) Where relocation is considered necessary, the lot owner of the proposed relocation site will also be entitled to compensation for his/her land. The receiving LGU (i.e., the LGU under whose political jurisdiction the relocation site is located) may apply for assistance with DPWH for the provision of basic services, such as streetlights and improved access road, for the community where the relocation site is to be constructed.

n) Plans for the acquisition of land and other assets will be carried out in consultation with the PAPs who will receive prior information of the compensation options available to them.

o) Any acquisition of, or restriction on access to resources owned or managed by PAPs as a common property will be mitigated by arrangements ensuring access of those PAPs to equivalent resources on a continuing basis.

p) Resettlement programs will include adequate institutional arrangements to ensure effective and timely design, planning, consultation and implementation of compensation and resettlement.
DPWH will ensure effective coordination with relevant agencies for the implementation of the resettlement plan.

q) Adequate arrangements will be made for effective and timely supervision, internal and external monitoring of the implementation of the RAP.

r) The resettlement transition period will be minimized and the acquisition of assets needed for the project (by way of a *Writ of Possession* in the event of expropriation proceedings), as well as all resettlement activities including compensation, will be completed at least one month prior to the commencement of construction work.

s) The DPWH will only issue bidding documents for the works once the resettlement has been completed in accordance with this Resettlement Policy including compensation in full to all PAPs.
4. INSTITUTIONAL AND LEGAL FRAMEWORK

4.1 Institutional Framework

The overall responsibility for enforcing this Resettlement Policy, including preparation of necessary Resettlement Action Plans and/or other documents, and for implementing the RAPs, rests with the DPWH. To ensure that this policy is carried out effectively in a project, DPWH will designate an ‘External Monitoring Agent’ to monitor the effectiveness of resettlement activities. The Department will make special efforts to ensure good community relationship and to promptly address compensation problems and complaints. The DPWH will ensure that PAPs are afforded opportunities for active and affective participation in the preparation and implementation of the RAPs.

Funds for planning and implementing resettlement activities will be provided by the DPWH based on budgetary requirements established in the RAPs.

4.2 Legal Framework

The overall objective of the Resettlement Policy is derived from the Bill of Rights of the Constitution of the Republic of Philippines:

Article III, Section 1: No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.

Article II, Section 9: Private property shall not be taken for public use without just compensation.

The World Bank’s Operational Directive 4.30 concerns for due process and the right to just compensation for everybody. The guiding principle of OD 4.30 is that adverse impacts by a development project must be avoided or minimized, with appropriate resettlement measures, and that affected people are given the opportunity to share project benefits with the rest of the population.

Other applicable laws, Executive Orders, Administrative Orders, and derivative Department Orders in the country are provided below.

a) PD 17, Revised Highway Act

- It is illegal to use, occupy and convert any portion of the ROW.
b) EO113 (1995) and EO 621 (1980)

- National Roads will have a ROW of at least 20 m in rural areas and may be reduced to 15 m in highly urbanized areas.
- ROW will be at least 60 m in unpatented public land.
- ROW will be at least 120 m through natural forested areas of aesthetic or scientific value.

c) EO 1035, providing for the conduct of:

- Feasibility study.
- Public information campaign.
- Parcellary survey.
- Assets inventory.

Other features of the Executive Order are:

- Land acquisition based on fair replacement cost to be negotiated between the owner and the appraisal committee.
- Resettlement/relocation of tenants, farmers and other occupants.
- Financial assistance to displaced tenants, cultural minorities and settlers equivalent to the average annual gross harvest for the last 3 years and not less that PhP15,000 per ha.
- Disturbance compensation to agricultural lessees equivalent to 5 times the average gross harvest during the last 5 years.
- Compensation for improvements on land acquired under Commonwealth Act 141.
- Government has power to expropriate in case agreement is not reached.

d) PD 1818 (1981)

- Rules that no court can issue restraining orders or preliminary injunction in cases involving infrastructure and mineral resource development projects of the government.

e) MO 65, Series of 1983

- Lists various modes for the acquisition and payment of compensation for ROW, such as:
  - Easement of ROW where the owner is paid the land value to use the land but the owner still retains ownership over the same.
  - Quit claim where the Government has the right to acquire 20/60 m of the land acquired through CA 141. Only improvements will be compensated.
  - Expropriation if other options fail. The government agency concerned has the right to take immediate possession, control and disposition of the property.
Resettlement Policy

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f) Supreme Court Ruling (1987)

- Defines just compensation as fair and full equivalent for the loss sustained, taking into account improvements, location, capabilities, etc.
- The value given by the appraisal committee can only serve as a guide for negotiation.
- P.D.76, PD 464 (Section 92), PD 794 (Section 92), and PD No. 1533 (Section 1), defining the basis for payment of ‘just compensation’ as the lower of the value declared by the owner or administrator for private property, were declared unconstitutional by the Supreme Court in case G.R. No 59602, entitled “EPZA” vs. CFI, Bn. XVI Lapu-Lapu City and San Antonio Dev. Coop.

g) DO 142 (1995)

- Aims to avoid unnecessary delays in civil works.
- Inclusion of parcellary plans and cost estimates for ROW acquisition in detailed engineering stage.
- EO 1035 and MO 65 will still be followed in matters relating to the acquisition and compensation of private properties.

h) Republic Act 6389

- Provides for disturbance compensation to agricultural lessees equivalent to 5 times the average gross harvest in the last 5 years.

i) Republic Act 7279 (1992)

- Prohibits construction of illegal structures on “danger areas”.
- Eviction and demolition of such illegal structures without compensation.
- Amended by RA 8368 (1997), which provides that squatter houses built before 1983 are entitled to relocation assistance prior to their displacement.

j) AO 50 (1999)

- Fair compensation to be based on zonal value + 10%.
- If this fails, government agency will initiate expropriation proceedings and the following parameters will be considered in determining compensation:
  - Classification and use for which the property is suited
  - Developmental costs for improving the land
  - Value declared by the owner
  - Current selling price of similar lands in the vicinity
  - Reasonable disturbance compensation for the removal and/or demolition of certain improvements on the land and for the value of improvements thereon
  - Size, shape or location, tax declaration and zonal valuation of the land
Price of the land as manifested in the ocular findings, oral as well as documentary evidence presented

Facts and events so as to enable the affected property owners to have sufficient funds to acquire similarly-situated lands of approximate areas as those required from them by the government, and thereby rehabilitate themselves as early as possible

k) **RA 8974 (2000)**

- Negotiated sale between the DPWH and the PAP based on the following standards to determine the fair market value:
  
  a) The classification and use for which the property is suited;
  
  b) The development costs for improving the land;
  
  c) The value declared by the owners;
  
  d) The current selling price of similar lands in the vicinity;
  
  e) The reasonable disturbance compensation for the removal and/or demolition of certain improvements on the land and for the value for improvements thereon;
  
  f) The size, shape or location, tax declaration and zonal valuation of the land;
  
  g) The price of the land as manifested in the ocular findings, oral as well as documentary evidence presented; and
  
  h) Such facts and events as to enable the affected property owners to have sufficient funds to acquire similarly-situated lands of approximate areas as those required from them by the government, and thereby rehabilitate themselves as early as possible.

- In the case of expropriation, DPWH shall immediately pay the owner: a) 100% of the value of the property based on the BIR zonal valuation, and b) the value of improvements / structures. If the owner contests the Agency’s offered value, the court shall determine the just compensation within 60 days, taking into account the above facts mentioned standards.

- Reiteration of the provisions of RA 7279 regarding squatter relocation

l) The provisions of this Resettlement Policy supplement the above legal framework mentioned in a) to k) above.
5. COMPENSATION MATRIX

The matrix below will be used in the settlement of claims for compensation for lost assets of PAPs based on the aforementioned principles (Chapter 3) and legal framework (Chapter 4). Unless otherwise indicated, payment of compensation and other entitlements and the extension of assistance will be given to PAP households, not individuals.

<table>
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<tr>
<th>Type of Loss</th>
<th>Application</th>
<th>Entitled Person</th>
<th>Compensation</th>
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<tbody>
<tr>
<td>1. Arable land</td>
<td>Actual area needed by the road project and the remaining land is still economically viable</td>
<td>Owners with full title, tax declaration (i.e., legalizable), or who are covered by customary law (e.g., possessor rights, usufruct) or other acceptable proof of ownership</td>
<td>For the portion of the land needed: +Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2a and 2j of the Resettlement Policy. +Cash compensation for trees of commercial value and crops at market value as provided in 2j of the Resettlement Policy. +PAP will be given sufficient time to harvest crops.</td>
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<td>PAPs without title, tax declaration, or are not covered by customary law (e.g., possessor rights, usufruct) or other acceptable proof of ownership</td>
<td>For the portion of the land needed: +PAP will be given sufficient time to harvest crops +Cash compensation for trees of commercial and crops at market value as provided in 2j of the Resettlement Policy. +Financial assistance to make up for land preparation in the amount to be determined an independent appraiser based on cost analysis. +No compensation for the land.</td>
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<td>Remaning land becomes economically not viable (i.e., PAP losing &gt;20% of land holding or even when losing &lt;20% but the remaining land is not economically viable anymore)</td>
<td>Owners with full title, tax declaration (i.e., legalizable), or who are covered by customary law (e.g., possessor rights, usufruct) or other acceptable proof of ownership</td>
<td>+Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2a and 2j of the Resettlement Policy. +Disturbance assistance of PhP15,000 +PAP will be given sufficient time to harvest crops +Cash compensation for trees of commercial value as determined by the DENR or the Independent Land Appraiser. +If relocating, PAP to be provided free transportation +Rehabilitation assistance (skills training and other development activities) will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and the PAP will have to engage in a new income activity. +Cash compensation for trees of commercial value and crops at market value as provided in 2j of the Resettlement Policy.</td>
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<td>Resettlement Policy</td>
<td>PAPs without title, tax declaration, or are not covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Financial assistance equivalent to the average annual gross harvest for the past 3 years but not less than PhP15,000 +PAP will be given sufficient time to harvest crops +Cash compensation for trees of commercial value and crops at market cost as provided in 2 j of the Resettlement Policy. +Financial assistance to make up for land preparation in the amount to be determined an independent appraiser based on cost analysis +Rehabilitation assistance (skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and the PAP will have to engage in a new income activity.</td>
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<td>Agricultural lessees</td>
<td>As per RA 6389 and EO 1035: +Disturbance compensation equivalent to five times the average of the gross harvest on the land holding during the five preceding years but not to exceed PhP15,000. +Cash compensation for trees of commercial value and crops at market cost as provided in 2 j of the Resettlement Policy. +PAP will be given sufficient time to harvest crops +Rehabilitation assistance (skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and the PAP will have to engage in a new income activity.</td>
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<td>c. Temporary use of land</td>
<td>All PAPs</td>
<td>+Compensation to be provided for loss of income during the period, standing crops, cost of soil restoration and damaged structures</td>
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<tr>
<td>2. Residential land and/or Commercial land</td>
<td>a. Actual area needed by the road project and the remaining land is still viable for continued use</td>
<td>Owners with full title, tax declaration (i.e., legalizable), or who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>For the portion of the land needed: +Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy. +Cash compensation for trees of commercial value and crops at market value as provided in 2 j of the Resettlement Policy.</td>
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<td>This applies whether they are squatting on private or government owned land</td>
<td>For the portion of land needed: +No compensation for land +Cash compensation for trees of commercial value as and crops at market value as provided in 2 j of the Resettlement Policy.</td>
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<td>b. Actual area needed by the road project is greater than 20% of the total and the remaining land is still viable</td>
<td>Owners with full title, tax declaration (i.e., legalizable), or who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2a and 2j of the Resettlement Policy or, 'land for land' will be provided in terms of a new parcel of land of equivalent market value, at a location acceptable to PAP, and with long-term security of tenure. The replacement land should be of acceptable size under zoning laws or a plot of equivalent value, whichever is larger, in a nearby resettlement area with adequate physical and social infrastructure.</td>
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<tr>
<td>d. Temporary use of land</td>
<td>All PAPs</td>
<td>+Compensation to be provided for loss of income during the period, standing crops, cost of soil restoration and damaged structures</td>
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<td>3. Main Structures (e.g., house, house cum shops)</td>
<td>a. Structure, with or without a building permit, partially affected and the remaining structure is still viable for continued use.</td>
<td>Owners of structure with full title or tax declaration (i.e., legalizable) to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+ Cash compensation at replacement cost for the affected portion of structure as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2a and 2j of the Resettlement Policy with no deduction for salvageable building materials.</td>
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<td>Owners of structures, including shanty dwellers in urban areas, have no title or tax declaration to the land or other acceptable proof of ownership. This applies whether they are squatting on private or government owned land.</td>
<td>+Compensation in cash for affected portion of the structure, including the cost of restoring the remaining structure, by a licensed independent appraiser using internationally recognized valuation standards as provided in 2a and 2j of the Resettlement Policy with no deductions for salvageable building materials.</td>
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<td>Shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation.</td>
<td>+Shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation.</td>
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<td>Professional squatters will not receive compensation but they can collect their salvageable materials</td>
<td>+Professional squatters will not receive compensation but they can collect their salvageable materials</td>
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<td>+PAPs who have businesses affected due to partial impact are entitled to a subsistence allowance for the loss of income during the reconstruction period, to be determined by the independent appraiser.</td>
<td>+PAPs who have businesses affected due to partial impact are entitled to a subsistence allowance for the loss of income during the reconstruction period, to be determined by the independent appraiser.</td>
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</table>
|             |             | Renters (tenants) of leased affected structures, including renters of shanty dwellings in urban areas | +Given 30 days notice on the schedule of demolition  
+For house tenants renting structures outside of, or within the ROW, and who have to transfer elsewhere, free transportation will be provided  
+Renting shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation |
| b. Entire structure affected or when the remaining structure becomes not viable for continued use, with or without a building permit | Owners of structures with full title or tax declaration (i.e., legalizable) to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership | +Compensation in cash for the entire structure at replacement cost as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deduction for salvageable building materials  
+Disturbance assistance of PhP 10,000 per PAP (household)  
+If relocation is necessary, free transportation will be provided  
+Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity.  
+PAPs who have business affected due to severe impact will be entitled to a subsistence allowance for the loss of income during the reconstruction period not less than their monthly income or PhP 15,000 for each PAF. |
|             |             | Owners of structures, including shanty dwellers in urban areas, have no title or tax declaration to the land or other acceptable proof of ownership. | +Compensation in cash for the entire structure at replacement cost as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deductions for salvageable building materials.  
+Shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation.  
+If relocation is necessary, free transportation will be provided  
+Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity.  
+Professional squatters will not receive compensation but they can collect their salvageable materials  
+PAPs who have business affected due to partial impact are entitled to a subsistence allowance for the loss of income during the reconstruction period, to be determined by the independent appraiser. |
**Resettlement Policy**

<table>
<thead>
<tr>
<th>Type of Loss</th>
<th>Application</th>
<th>Entitled Person</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Independent shops (structures)</td>
<td>a. Shops, with or without building permit, partially affected and the remaining structures are still viable for continued use</td>
<td>Owners of structure with or without full title or tax declaration to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Compensation in cash for the entire structure at replacement cost as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deductions for salvageable building materials +Disturbance assistance of PhP10,000 per PAP (household) +Free transportation will be provided if relocating +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity.</td>
</tr>
<tr>
<td>b. Entire shop affected OR when the remaining structure becomes not viable for continued use, with or without a building permit</td>
<td>Owner of structure with or without full title or tax declaration to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership</td>
<td>+Cash compensation at replacement cost for the affected portion of the structure as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deductions for salvageable building materials +Disturbance assistance of PhP10,000 per PAP (household) +Free transportation will be provided if relocating +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity.</td>
<td></td>
</tr>
<tr>
<td>c. Shops, with or without building permit, partially affected and the remaining structures are still viable for continued use.</td>
<td>Renters (tenants) of leased affected structures, including renters of shanty dwellings in urban areas</td>
<td>+Given 30 days notice on the schedule of demolition +For house tenants renting structures outside of, or within the ROW, and who have to transfer elsewhere, free transportation will be provided +Renting shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation. +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity.</td>
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4 Independent shops (structures) | b. Entire shop affected OR when the remaining structure becomes not viable for continued use, with or without a building permit | Owner of structure with or without full title or tax declaration to the land or those who are covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership | +Cash compensation at replacement cost for the affected portion of the structure as determined by a licensed independent appraiser using internationally recognized valuation standards as provided in 2 a and 2 j of the Resettlement Policy with no deductions for salvageable building materials +Disturbance assistance of PhP10,000 per PAP (household) +Free transportation will be provided if relocating +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity. |
| c. Shops, with or without building permit, partially affected and the remaining structures are still viable for continued use. | Renters (tenants) of leased affected structures, including renters of shanty dwellings in urban areas | +Given 30 days notice on the schedule of demolition +For house tenants renting structures outside of, or within the ROW, and who have to transfer elsewhere, free transportation will be provided +Renting shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will be provided free transportation. +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity. |
## Resettlement Policy

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<tr>
<td>4. Resettlement Policy</td>
<td>d. Entire shop affected or when the remaining structure becomes not viable for continued use, with or without a building permit</td>
<td>Renters</td>
<td>+Given 30 days notice on the schedule of demolition +Shop renters will be entitled to transitional allowance to cover for their computed income loss during the demolition and reconstruction of their shops or an amount of their computed income to be determined by the independent appraiser of one month. +Rehabilitation assistance in the form of skills training and other development activities will be provided in coordination with other government agencies if the present means of livelihood (e.g., house cum shop) is no longer viable and the PAP will have to engage in a new income activity. +PAPs will be provided free transportation for their families and belongings, if relocating either temporarily or permanently.</td>
</tr>
<tr>
<td>5. Other fixed assets or structures</td>
<td>Loss of, or damage to, affected assets, partially or entirely</td>
<td>PAPs</td>
<td>+Compensation in cash for affected portion of the structure, including the cost of restoring the remaining structure, as determined by the concerned appraisal committee, with no depreciation or deduction for salvaged building materials.</td>
</tr>
<tr>
<td>6. Electric and/or water connection</td>
<td>Loss of, or damage to, affected assets, partially or entirely</td>
<td>PAPs</td>
<td>+Compensation to cover cost of restoring the facilities</td>
</tr>
<tr>
<td>7. Public Facilities</td>
<td>Loss of, or damage to, public infrastructure (e.g., public water tanks, tram lines, bus stop sheds, loading platform, public health center, barangay center, electric or telephone lines, etc.)</td>
<td>Concerned agencies</td>
<td>+Compensation in cash at replacement cost to respective agencies.</td>
</tr>
</tbody>
</table>
6. APPLICATION OF THE PARTICIPATORY PROCESS TO THE PROJECT CYCLE

6.1 Project Preparation Stage

There are 3 main stages in project preparation, namely:

1. Pre-feasibility
2. Feasibility
3. Detailed engineering design

Each main activity has a series of sequential activities where participation is required.

a) Pre-feasibility

Step 1: The URPO, assisted by the Environmental Impact Assessment Project Office (EIAPPO) and the Action Office on Resettlement of Squatter Families (AORSF) will hold a preliminary meeting with concerned communities. The objectives of this meeting are to:
Resettlement Policy

a) Explain the general concept of the road project

b) Discuss/explain the requirements of the road project and its likely impacts

c) Present tentative schedule of activities

d) Create awareness and appreciation among the communities about the project

e) Set a general orientation meeting with communities at the barangay level.

Step 2: General Orientation of the Community

Before undertaking any survey activity in the community, the Project Team (URPO with the EIAPO, MMDA and AORSF) will conduct a meeting to orient and ensure that the community understands the nature and extent of the proposed project. Awareness of the project will facilitate the data-gathering process and ensure the quality of data provided by the community to the project team.

The community orientation will be facilitated by officials of the barangay who attended the orientation meeting conducted earlier at the municipal office.

The suggested agenda for the General Community Orientation are:

a) Overview of the project, including overall objectives and merits of the same

b) Identification and discussion of the likely impacts of the project

c) Activities to be undertaken and their schedule, such as technical surveys, water resources assessment, social impact study, environmental impact assessment, etc.

b) Expected roles of the community during the conduct of the abovementioned technical studies.

Step 3: EIA/Social Assessment

The Project Team will assess the positive and adverse impacts of the project, number of households likely to be affected, types of impacts, tenure status, need for acquisition of private assets, relocation of people, etc.

c) Feasibility

Step 4: RAP preparation


Based on the results of the SIA, a census and a full-blown socio-economic survey of PAPs\(^1\), including among others, an inventory of affected assets, will be conducted as an important step in drafting an appropriate resettlement action plan (RAP). Said RAP will include the amount and the process to be employed in the payment of compensation to PAPs.

**Step 5: Orientation of Stakeholder**
Upon completion of the draft RAP, the Project Team will brief concerned communities (i.e., municipal and barangay level as necessary), with the view that a general agreement will be achieved on the following:

a) Resettlement program

b) Relocation sites, if needed

c) Role of communities in RAP implementation

**Step 6: Consultation with the Community**

Still part of the process to finalize the draft RAP, consultation(s) with affected communities at the barangay level will be undertaken. For this purpose, the Project Team shall prepare a Public Information Leaflet containing a brief description of the project, including compensation policy for affected private properties.

The affected communities will also be informed on the mechanics and procedures for public participation and consultation, grievance redressal procedures, and the resettlement program. Likewise, the community’s suggestions regarding relocation site(s) will be solicited, and, where warranted, its preferences for the mode of compensation for affected fixed assets (i.e., cash or land-for-land).

**Step 7: The Project Team will finalize the RAP**

d) Finalization of technical design

**Step 8: The Project Team will orient the affected communities on the final version of the RAP and its implementation, the results of the environmental impact study and the prepared environmental management plan, and the project’s detailed engineering (technical) designs.**

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\(^1\) Census will be undertaken for all types of PAPs. Census covers general information on the PAP, such as demographic information and properties affected. Socio-economic surveys will cover only those who are severely affected by the project. Information to be gathered includes household income, expenditures, skills, etc. The information gathered will serve as benchmark data for those preparing, implementing, and evaluating the RAP designed for them.
Step 9: Setting-up of various Committees as required by the project and the RAP, such as the Resettlement Implementation Committee (RIC). PAPs will be represented with full voting power in these committees.

Step 10: Participation in Implementation

Whenever feasible, PAPs will be contracted in the implementation of the various activities of the project, such as reconstruction of damaged dwelling units and construction of small infrastructure units, like ripraps and retaining walls.

Step 11: Monitoring of RAP implementation

The Project Team will enlist the participation of PAPs in the monitoring of RAP implementation. Representation of the PAPs in the internal monitoring of the implementation of the RAP will provide a more accurate reading of the local community’s feelings and reactions. Specifically, internal monitoring will focus on: (i) seeing to it that the RAP is implemented as designed and approved, and (ii) verifying if funds for implementing the RAPs are provided by project authorities in a timely manner and in amounts sufficient for their purposes, and that such funds are used in accordance with the provisions of the RAP.

An independent agency or agencies will be retained by the DPWH to carry out external monitoring and evaluation of the implementation of RAPs. The independent agencies may be NGOs, academic or research institutions or independent consulting firms, with qualified and experienced staff and with terms of reference acceptable to the Bank.

6.3 Post Project Implementation Stage

Step 12: Evaluation of RAP implementation

A composite body of representatives from the Project Team, concerned communities, the various committees formed, and PAPs will be formed to conduct an evaluation of the RAP upon completion of its implementation. The coverage of the evaluation will include RAP preparation and actual implementation. Strengths and weaknesses of the whole process of the RAP will be identified for the purpose of drawing lessons from them. Said lessons will guide the DPWH in future projects.
7. INSTITUTIONAL REQUIREMENTS OF RESETTLEMENT

7.1 DPWH

The URPO is overall responsible for implementing the project. In coordination with relevant agencies, the URPO will manage and supervise the project, including resettlement activities and land acquisition. It shall ensure that funds for the timely implementation of the RAP are available and that expenses are properly accounted for. The URPO will be assisted by the EIAPO in providing technical guidance and support in the implementation of the RAP.

a) Environment Impact Assessment Project Office (EIAPO)

The EIAPO will provide technical guidance and support in the implementation of the RAP and will be responsible for the following resettlement activities:

a. overall preparation and planning of the RAP;
b. submitting RAP budget plans (to include compensation, relocation costs, operation) for approval and allocation of needed resources by the DPWH central office;
c. in accordance with the Department’s resettlement policies, guiding the Resettlement Implementation Committees (RICs) in their tasks, such as the verification of PAPs, final inventory of affected assets, and information dissemination;
d. amending or complementing the RAP in case problems are identified during the internal and/or external monitoring of its implementation;
e. in collaboration with its counterpart in the region, following-up with the DPWH Regional Office the processing of compensation claims of PAPs;
f. in collaboration with its URPO, MMDA monitoring the actual payment of compensation to PAPs; and,
g. in collaboration with its regional counterpart, preparing periodic supervision and monitoring reports on RAP implementation for submission to the URPO and the Bank.

b) Action Office on Resettlement of Squatter Families (AORSF)

Successful implementation of the RAP will require close coordination with the AORSF. The AORSF will be the principal and regular representative of URPO in the RICs. Together with the EIAPO the AORSF will extend technical support to the RIC in relation to RAP implementation.

7.2 Resettlement Implementation Committee (RIC)

The RIC will be set up and shall be composed of the following:

a. Representative of the Municipal/City Government
b. Representative of the PAPs
Resettlement Policy

The representative of the DPWH from the AORSF will be the RIC's Chairperson and Convenor. The Committee will have the following functions:

a. assist the EIAPO in (i) validating the list of PAPs; (ii) validating the assets of the PAPs that will be affected by the project (using a prepared compensation form); and (iii) implementing the RAP;

b. assist the EIAPO in public information campaign, public participation and consultation;

c. assist the URPO in the payment of compensation to PAPs;

d. receive complaints and grievances from PAPs and other stakeholders and act on them accordingly;

e. maintaining record of all public meetings, complaints, and actions taken to address complaints and grievances;

f. in coordination with concerned government authorities, assist in the enforcement of laws/ordinances regarding encroachment into the project road corridor.

7.3 Grievance Procedures

Grievance related to any aspect of the or sub-project will be handled through negotiations and are aimed at achieving consensus following the procedures outlined below:

a) Grievance will be filed by the PAP with the RIC who will act within 15 days upon receipt thereof, except complaints and grievances that specifically pertain to the valuation of affected assets, since such will be decided upon by the proper courts;

b) If no understanding or amicable solution can be reached, or if the PAP does not receive a response from the RIC within 15 days of registry of the complaint, he/she can appeal to the Office of DPWH URPO Project, through the EIAPO, which should act on the complaint/grievance within 15 days from the day of its filing;

c) If the PAP is not satisfied with the decision of the Office of DPWH URPO Project, he/she, as a last resort, can submit the complaint to a court of law.

PAPs will be exempted from all administrative and legal fees incurred in pursuant to the grievance redress procedures.

All complaints received in writing (or written when received verbally) from the PAPs will be documented.
8. **ROLES AND RESPONSIBILITIES OF DPWH AND THE COMMUNITIES**

<table>
<thead>
<tr>
<th>Project Process Stage</th>
<th>Participatory Activities and Participants</th>
<th>Responsible Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preparation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pre-feasibility</strong></td>
<td>1. Meeting with representative of communities affected to give them an overview of the proposed infra project</td>
<td>URPO, MMDA, AORSF and EIAPO, NCR, Reg. IV-A &amp; District Offices</td>
</tr>
<tr>
<td></td>
<td>2. General Orientation Meeting with representative of communities affected at the barangay-level preparatory to the conduct of technical, environmental and social studies relative to the proposed infrastructure project</td>
<td>MMDA as lead, supported by URPO, AORSF and EIAPO reps NCR, Reg. IV-A &amp; District reps.</td>
</tr>
<tr>
<td></td>
<td>3. Conduct of EIA and/or SIA</td>
<td>EIAPO Central, assisted by URPO/AORSF, NCR, Reg. IV-A &amp; District offices</td>
</tr>
<tr>
<td><strong>Feasibility</strong></td>
<td>1. RAP preparation, specifically the conduct of a census and socio-economic survey of PAPs</td>
<td>EIAPO assisted by URPO and MMDA</td>
</tr>
<tr>
<td></td>
<td>2. Consultation with the affected communities on the draft RAP</td>
<td>EIAPO offices with stakeholder reps</td>
</tr>
<tr>
<td></td>
<td>3. Finalization of RAP</td>
<td>EIAPO Central with reps from URPO and MMDA</td>
</tr>
<tr>
<td><strong>Finalization of Technical Design</strong></td>
<td>1. Orientation of affected communities regarding the final version of the RAP, including the mechanics of its implementation</td>
<td>EIAPO with reps URPO, MMDA and AORSF, NCR, Region IV-A &amp; district Offices</td>
</tr>
<tr>
<td><strong>Implementation</strong></td>
<td>1. Setting-up of the RAP Implementation Committee (with LGU representative)</td>
<td>EIAPO with MMDA &amp; URPO</td>
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</table>
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<td>2.</td>
<td>Community participation in the implementation of the RAP and EMP</td>
<td>- do -</td>
</tr>
<tr>
<td>3.</td>
<td>Internal monitoring of RAP implementation</td>
<td>- do -</td>
</tr>
<tr>
<td>Post-Implementation</td>
<td>1. Summing-up evaluation of the RAP, to cover its preparation and implementation</td>
<td>EIAPO assisted by URPO and MMDA</td>
</tr>
</tbody>
</table>
9. **COSTS AND BUDGETS**

Each RAP will include detailed cost estimates for compensation and relocation of PAPs, if that be the case, with a breakdown by category of PAPs; agricultural, residential and business land; houses, structures and other fixed assets affected; transport assistance when shifting PAPs; phases of the project and by financial year. Cost estimates will make adequate provisions for contingencies.

The total cost of the RAP will be included in the cost of the project. In the case of cost overruns due to unforeseen circumstances or delays, the DPWH will allocate additional funds as necessary.

On the basis of the approved RAP, funding for the implementation of the resettlement plan will be forwarded to the District Office, which in turn is tasked to prepare and process the vouchers for payment of compensation to PAPs, relocation expenses, operational costs, etc.