

Updated Resettlement and Ethnic Group Development Plan

**Democratic Republic of Timor-Leste
Water Supply and Sanitation Investment Project
Same Subproject**

**Asian Development Bank
Loan number: 53395-001**

November 2023

CURRENCY EQUIVALENT

The currency of Timor-Leste is the United States dollar.

ABBREVIATIONS

ADB	-	Asian Development Bank
AP/AH	-	affected person/affected household
BTL	-	Bee Timor Leste
COI	-	corridor of impact
CWMP	-	Community Water Management Plans
DGAS	-	Directorate General for Water and Sanitation
DMS	-	detailed measurement survey
EA	-	executing agency
EM	-	external monitor
GoTL	-	Government of Timor-Leste
GRC	-	Grievance Redress Committee
GRM	-	grievance redress mechanism
IOL	-	Inventory of Loss
IP	-	Indigenous Peoples
PMU	-	Project Management Unit
PIB	-	project information booklet
PSC	-	Project Supervision Consultants
PMS	-	primarily measurement survey
RCS	-	replacement cost study
REGDP	-	Resettlement and Ethnic Group Development Plan
ROW	-	right-of-way
SAH	-	Severely Affected Households
SES	-	Socio-economic survey
SPS	-	Safeguard Policy Statement
WSSIP	-	Water and Sanitation Supply Investment Project

WEIGHTS AND MEASURES

ha	-	hectare
km	-	kilometer
m	-	meter
m ²	-	square meter

DEFINITION OF TERMS

Affected person (AP) / Affected Household (AH)	-	<p>Refers to any person or persons, household, firm, private or public institution that, on account of changes resulting from the project, will have its (i) standard of living adversely affected; (ii) right, title or interest in any house, land (including residential, commercial, agricultural, forest and/or grazing land), water resources or any other moveable or fixed assets acquired, possessed, restricted or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence or habitat adversely affected, with or without displacement.</p> <p>In the case of affected household (AH), it includes all members residing under one roof and operating as a single economic unit, who are adversely affected by the project or any of its components.</p>
Compensation	-	<p>It is payment in cash or in-kind at replacement cost for an asset acquired by the Project.</p>
Cut-off date	-	<p>This refers to the date prior to which the occupation or use of the project area (i.e., within the COI) makes residents/users of the project area eligible to be categorized as AHs. Persons who occupy government land inside the ROW subsequent to the cut-off-date are not eligible for compensation and other entitlements.</p>
Detailed Measurement Survey (DMS)	-	<p>With the aid of approved detailed engineering drawings, this activity involves updating the results of the IOL, severity of impacts, and list of APs that was done earlier during the preparation of the feasibility study resettlement (RP).</p>
Entitlements	-	<p>This refers to a range of measures comprising compensation, income restoration support, transfer assistance, income substitution, relocation support, etc. that are provided to the APs/AHs, depending on the type and severity of their losses, to restore their economic and social base.</p>
Land acquisition	-	<p>Refers to the process whereby an AP/AH is compelled by the government through the project's executing agency to alienate all or part of the land it owns or possesses to the ownership and possession of that agency for public purpose in return for compensation at replacement cost.</p>
Rehabilitation and income restoration	-	<p>This refers to additional cash or in-kind support provided to APs/AHs losing productive assets, incomes, employment or sources of living, to supplement compensation for assets acquired by the project, in order to achieve full restoration of living standards and quality of life.</p>
Relocation	-	<p>This is the physical transfer of an AP/AH from his/her pre-project place of residence and/or business.</p>
Replacement cost	-	<p>This refers to the amount in cash or in-kind, inclusive of transaction costs and taxes, needed to replace an asset and is the value determined as compensation for:</p> <ol style="list-style-type: none">i) Agricultural land and pond based on market prices that reflect recent land sales prior to the commencement of the Project or displacement, and in the absence of such recent sales, based on productive value;ii) Residential land based on market prices that reflect recent land sales prior to the commencement of the Project or displacement, and in the absence of such recent land sales, based on similar location attributes;iii) Houses and other related structures based on current market prices of materials and labor without depreciation nor deductions for salvaged building materials;iv) Annual crops equivalent to the highest production of crop over last three years multiplied by the current market value of crops;

		v) Perennial crops and trees based on current market value per the type, age, diameter at breast height and productive capacity; and
		vi) Other assets (i.e., cultural, aesthetic) based on current market value for repairing and/or replacing assets or the cost of mitigating measures.
Replacement Cost Study	-	This involves the conduct of empirical research to determine the amount of compensation needed for an AP/AH to be able to buy a replacement of an asset lost to the project and/or to recoup lost income.
Resettlement	-	This refers to all measures taken by Project authorities to mitigate any and all adverse social impacts on the AHs, including compensation for lost assets and incomes, and the provision of income restoration relocation assistance as needed.
Resettlement Plan	-	Also referred to as land acquisition and compensation plan (LACP), this is a time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation.
Severely affected households	-	This refers to APs/AHs that will (i) lose 10% or more of their productive landholdings and income sources, and/or (ii) have to relocate.
Significant Project Impact	-	This occurs if the subproject has 200 or more severely affected persons (i.e. at an average household size of 5.4 among the AHs, this is equivalent to 37 severely affected households or SAHs).
Vulnerable groups	-	These are distinct groups of people who might suffer disproportionately or face the risk of further marginalization due to displacement from assets and sources of incomes and they specifically include: (i) female headed households without support, (ii) disabled and/or elderly household heads, (iii) households falling under the generally accepted indicator for poverty, (v) landless households, (vi) indigenous people or ethnic groups.

NOTE

This resettlement and ethnic group development plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

Table of Content

I. INTRODUCTION	1
A. BACKGROUND	1
B. EXPECTED PROJECT OUTPUTS	1
C. FOCUS OF THE UPDATED REGDP	1
D. SCHEMATIC DIAGRAM OF THE WATER SUPPLY TRANSMISSION SYSTEM	3
E. MEASURES TO MINIMIZE ADVERSE SOCIAL IMPACTS	4
F. LAND OWNERSHIP DUE DILIGENCE RESULTS	4
II. PROJECT IMPACTS	6
A. AFFECTED LAND USE	7
B. AFFECTED MAIN STRUCTURES	7
C. AFFECTED SECONDARY STRUCTURES	7
D. AFFECTED FRUIT AND TIMBER TREES	7
E. RISK OF ECONOMIC DISPLACEMENT	9
F. UNFORESEEN IMPACTS	9
G. SUMMARY OF IMPACTS	9
H. CATEGORISATION	9
III. SOCIO ECONOMIC PROFILE OF AHS	11
A. BASIC INFORMATION ON THE AH HEADS	11
B. OCCUPATION AND INCOME	12
C. LAND OWNERSHIP	13
D. WATER SUPPLY AND SANITATION	13
E. VULNERABLE HOUSEHOLDS	14
IV. LEGAL FRAMEWORK	14
A. LEGAL AND INSTITUTIONAL FRAMEWORK OF TIMOR-LESTE	14
B. CUSTOMARY LAW	14
C. CUSTOMARY WATER MANAGEMENT PLAN	15
D. ADB'S SAFEGUARD POLICY	16
E. PROJECT PRINCIPLES	18
V. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION	19
A. CONSULTATION RESULTS	20
VI. GRIEVANCE REDRESSAL	20
A. GRIEVANCE REDRESS COMMITTEE (GRC)	21
B. GRIEVANCE REDRESS MECHANISM	21
C. GRC RECORD KEEPING	22
VII. PROJECT ENTITLEMENTS	25
A. UNIT COSTS OF AFFECTED ASSETS	31
VIII. MITIGATIVE MEASURES	31
A. COMPENSATION ARRANGEMENTS	31
B. GENDER ARRANGEMENTS	31
IX. RESETTLEMENT COSTS	32
A. SOURCE OF FUNDS FOR RESETTLEMENT	32
B. IMPLEMENTATION, ADMINISTRATION AND CONTINGENCY COSTS	32
C. ESTIMATED COST OF RESETTLEMENT	32
X. SCHEDULE OF UPDATED REGDP PREPARATION AND IMPLEMENTATION	33
XI. INSTITUTIONAL ARRANGEMENTS	33
XII. MONITORING AND EVALUATION	33

A. INTERNAL MONITORING.....	33
B. REFERENCES	34

List of Tables

Table 1 - Project Components Due Diligence.....	4
Table 2 - Summary of Impacts	7
Table 3 – Tree impacts per HH.....	8
Table 4 - Summary of Impacts.....	9
Table 5 - ADB SPS Criteria for IP Categorization.....	10
Table 6 - Household Information.....	11
Table 7 - Educational Attainment.....	12
Table 8 - Household Income.....	12
Table 9 - Primary Income Source	12
Table 10 - Secondary Income Source	13
Table 11 - Project Principles	18
Table 12 – Public Participation Key Dates in Same.	20
Table 13 - Grievance Redress Mechanism.....	21
Table 14 - Entitlement Matrix	25
Table 15 - Resettlement Budget	32
Table 16 - Implementation Schedule	33

List of Figures

Figure 1 Project Location Map	2
Figure 2 - Project GRM	24

List of Appendix

Appendix 1- Photographs of Key Locations.....	35
Appendix 2- Photos of Affected Households	45
Appendix 3- Notice of Cut-Off Date	48
Appendix 4- TL laws & ADB's SPS (2009) Gap Analysis	49
Appendix 5- List of the affected households with the compensation breakdown	56

List of Plates

Plate 1- Location of Merbuti Spring.....	35
Plate 2- Merbuti River and the existing Intake structure, BPT and pipelines.....	35
Plate 3- Erluli 1 Spring with existing Intake structure, BPT and pipelines	36
Plate 4- Erluli 2 spring with intake structure.....	36
Plate 5- Darelau Spring with existing Intake structure and BPT	36
Plate 6 - Location of Borehole 1 along the road corridor	37
Plate 7-Location of Borehole 2 within the perimeter of a government training institute	37
Plate 8-Location of Borehole 3 along the road corridor	37
Plate 9- Location of Borehole 5 within the perimeter of a government training institute	38
Plate 11- Map showing transmission pipes following road corridor	38
Plate 12- Map showing the location of Merbuti Tank.....	38
Plate 13- Location of Merbuti Tank.....	39
Plate 14- Location of Letefoho Central Tank	39
Plate 15- Location of Babulo tank	39
Plate 16- Indonesian Era proof of ownership - Babulo Tank.....	40
Plate 17- Posto Tower Tank within government compound	40
Plate 18- Location of Manico Tank. Used by 2AHs	41
Plate 19- Location of Holarua Tank.....	42
Plate 20- Location of the Letefoho North Tank, abandoned government building that requires demolition prior to construction of the tank.....	42
Plate 21- Location of the FSTP.....	42
Plate 22- Location of the proposed Public Toilet in a market place in Suco Letefoho	43
Plate 23- Location of the proposed Public Toilet in Suco Letefoho Center	43
Plate 24 Location of the proposed location of a Public Toilet in Suco Holarua Center	44
Plate 25- Location of the proposed location of a Public Toilet in Suco Babulo Center	44
Plate 26- Transect walk photo documentation.....	47

EXECUTIVE SUMMARY

Background

The project will support the Government of Timor-Leste to provide safe, reliable, and affordable water supply to the 15,000 urban households in participating cities. It will (i) finance the construction of new, and the expansion of existing, facilities for water supply and sanitation (ii) strengthen the regulatory and institutional capacity of both the new public water utility BTL (Be'e Timor-Leste), in project implementation and operations and maintenance (O&M). The project is in line with the government's Strategic Development Plan Strategy (2011–2030).

The project will improve the population's access to water supply and sanitation infrastructure through: (i) rehabilitation and improvement of existing water supply storage and treatment facilities; (ii) rehabilitation and expansion of the water supply distribution network forming district metered areas (DMAs); (iii) and installation of meters for all existing and new household connections; (iv) improvement of sanitation for low-income communities; (v) rehabilitation of school and public toilet facilities; and (vi) construction of septage treatment facilities.

Scope of Impacts

There are 11 affected households in Same and two plots that are government land with existing water facilities present.

Land to be acquired totals 12,762m² and other losses are confined to secondary structures, and trees (790).

The safeguard category for involuntary resettlement is B. The project aims to maintain most infrastructure on unencumbered state public land. Pipe laying will occur within state-owned roads with minimal impact corridors. The safeguard category for Indigenous Peoples is B and therefore this Updated REGDP has been developed for Same and was updated in October 2023 based on the DED and verification from Department of Land and Property, Ministry of Agriculture and the Building Department.

Vulnerability and Indigenous People

The vast majority of the population of Timor-Leste are Indigenous People in that they are the original inhabitants of the area well before pre-colonial times and the continuation of customary laws and traditions. The terminology linked to Indigenous People is problematic as the label of indigenous was used in colonial times to negatively categorize people and attaining government positions or an education could therefore mean losing that label. People do not therefore, generally 'self-identify' as Indigenous People despite having characteristics which led to the SPS being triggered.

According to the ADB criteria, there is one vulnerable HH as the head of households is below the poverty line. Where there is survey data from female head of HHs this was confirmed to be due to spouse working overseas or not at home during the time of survey.

Resettlement Costs

The estimated cost of implementation of this plan is **\$41,225.50** USD including all compensation and allowances. All compensation and allowances will be paid by the government prior to construction impacts. Any unforeseen impact during the physical implementation of the project will be covered using the same principal of this updated REGDP.

I. INTRODUCTION

A. Background

1. The Government of Timor-Leste proposes to address both water supply and sanitation service levels in three selected cities through a project to upgrade and provide new facilities and improve operation and maintenance capacity.

2. The project will ensure that more people enjoy an improved supply of drinking water and sanitation facilities in Timor-Leste contributing to reducing the high incidence of water and poor sanitation related diseases, particularly in children under five. By the end of the project safe and reliable water supply will be provide to the cities of Lospalos, Same and Viqueque. In addition, households will have new toilets available in public places in the cities. Finally, septic tank sludge will be safely transported and disposed of in purpose built treatment facilities in each of the three cities.

B. Expected project outputs

3. **Output 1: Regulatory environment improved.** The project will support BTL and the participating cities in developing and approving an Institutional Development Roadmap that will guide the transition of service providers to one autonomous institution. At the sector-level, it will support BTL in establishing planning and service delivery guidelines on water supply and sanitation. As part of improving the regulatory environment, women's participation in the sector will be encouraged, including engagement with local universities to promote education for women in water engineering and/or relevant disciplines.

4. **Output 2: Urban infrastructure improved.** The project will improve the population's access to water supply and sanitation infrastructure in the three project cities through: (i) construction of new water supply storage and treatment facilities; (ii) rehabilitation and expansion of the water supply distribution network forming district metered areas (DMAs); (iii) installation of meters for all the household connections; and (iv) construction of public toilets and septage treatment facilities.

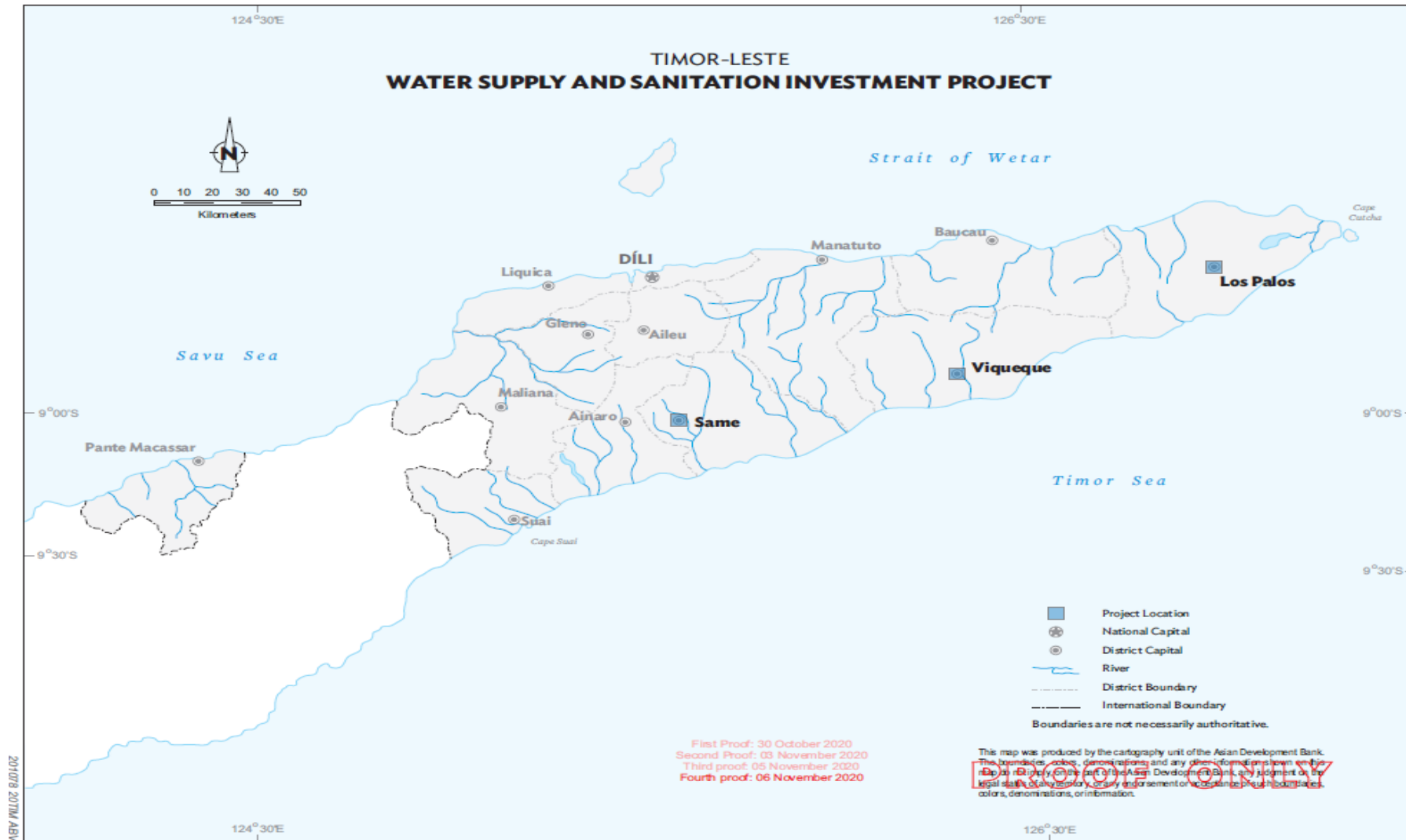
5. **Output 3: Institutional effectiveness improved.** To ensure that infrastructure created can deliver services efficiently, the project will enhance BTLs capacity to plan, deliver, operate, and maintain water supply and sanitation infrastructure over a long-term period. The project will support delivery of an Institutional Development Roadmap, which will also consider information and communication technology components appropriate to the environment and implement digital solutions to improve efficiencies in public service management

C. Focus of the Updated REGDP

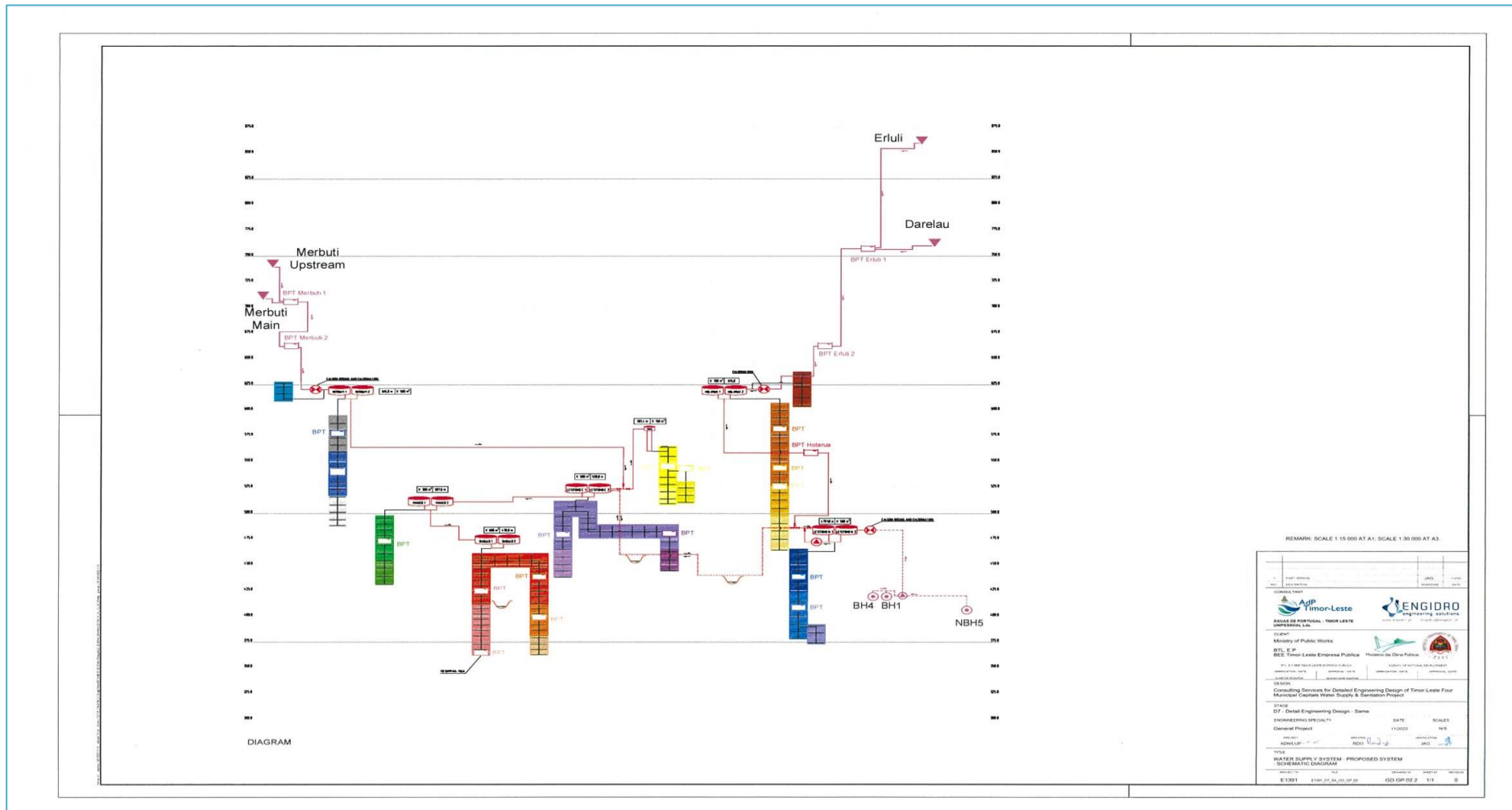
6. This Updated REGDP will focus on the updated results of the socioeconomic profile of the AHs in Same city, including the scope and description of resettlement impacts and the entitlements due to these AHs, public consultations held, and the amount needed to pay AHs their compensation and allowances. This was updated following approval of the final Detailed Engineering Design in March 2023 and verification from Department of Land and Property, Ministry of Agriculture and the Building Department that was conducted in September 2023.

7. This document sets out the impacts on communities, describing their customary management of land and conflict resolution. The acknowledgement of these systems is vital to ensure that development efforts do not further compound the loss of cultural heritage and identity experienced during colonialization and occupation.

Figure 1 Project Location Map



D. Schematic Diagram of the Water Supply Transmission System



E. Measures to Minimize Adverse Social Impacts

8. Efforts have been made to reduce the resettlement impacts by the following actions;
- (i) Alignment of project components along existing structures such as road and existing water system infrastructure
 - (ii) Public consultations, consultation with cultural representatives and due diligence to ensure minimal impact on private land and structures

F. Land Ownership Due Diligence Results

9. Project impacts were assessed using a field survey of all planned project infrastructure, transect walks within affected areas and information of use and ownership was confirmed by local communities. This is necessary as land ownership is managed by customary law and so land titles or other documents normally used to verify ownership are not available in Timor-Leste. All land was clear of encroachers and the use of land documented. Photographs of key locations can be found in the appendices.

10. Transect walks were held along the alignment of the existing pipes and near the location of the Merbuti Spring. School teachers and community members reported that the large pipe systems in the spring were constructed during the Portuguese era and Indonesia occupation.

11. It was reported that land is passed from generation to generation (customary arrangements). Permission to use land is given by an elder or 'Liurai' and this is a generally accepted arrangement. Further details on this are included in section IV.

12. All impacts are as stated by detailed engineering design preparation consultants. They were verified by a due diligence mission in March 2023 and by DMS in September 2023.

Table 1 - Project Components Due Diligence

Project Components	Site Category		Comments
	Date Visited	State / Customary / Private	
Merbuti Spring	04-12-20	Customary Land	Intake has been used for many years, no conflict. With existing structures (Intake, BPTs, transmission pipes-please refer to Plate 2) Members of the community near the vicinity of the spring also confirmed that the location has no privately owned structures or trees.
Erluli 1 Spring	04-12-20	Customary	Improvement of existing structures (Intake, BPTs, transmission pipes please refer to Plate 3) The location of the spring has been used for a long time as a water source
Erluli 2 Spring	04-12-20	Customary	Customary land, improvement of existing intake (Plate 4)
Darelau Spring	04-12-20	Customary	Community has already agreed to improvement of existing intake Existing structures (Intake, BPTs, transmission pipes please refer to Plate 5) Confirmed that the location of the spring has been used also for a long time as a water source
Bore 1-new	06-12-20	√	Location is along the road corridor (please

Project Components	Site Category		Comments
	Date Visited	State / Customary / Private	
			refer to Plate 6)
Bore 2-new bore	06-12-20	√	Location is within a public land within the perimeter of a government training institute (please refer to Plate 7)
Bore 3-new bore	06-12-20	√	Location is along the road corridor (please refer to Plate 8)
Bore 4-new bore	06-12-20	√	Location is along the road corridor (please refer to Plate 9)
Bore 5- already drilled	06-12-20	√	Location is within public land within the perimeter of a government training institute (please refer to Plate 10)
Merbuti Spring - Merbuti Tank	04-12-20	√	Transmission pipes will run along the road corridor (please refer to Plate 11)
Erluli 1 Spring - BPT	04-12-20	√	
Erluli 2 Spring - BPT	04-12-20	√	
BPT - Darelau Spring	04-12-20	√	
Darelau Spring - Holarua Tank	04-12-20	√	
New bores - Letefoho Tank North	06-12-20	√	
Merbuti Tank	04-12-20	√	
Letefoho tank Central & PS	04-12-20	This land is claimed by the church. Legal permission given for use by BTL	Church-owned land. 1 AH has claimed bamboo and a mango tree.
Babulo Tank	04-12-20	Privately held with Indonesian land title	The AH presented a proof of ownership -an Certificate of Land Ownership issued during the Indonesia occupation of Timor-Leste which will be assessed by the land Commission for validity. HH has teak trees planted in the area for which full compensation will be paid.
Posto - Tower tank	04-12-20	√	The location is within the area where other government buildings are also located (please refer to Plate 17)
Manico Tank	04-12-20	√	Land belongs to church, 2 HHS use the land for growing fruit and have some trees planted there.

Project Components	Site Category		Comments
	Date Visited	State / Customary / Private	
Holarua Tank	04-12-20	This land is claimed as private, HH has not been able to transfer into legal title	Customary land, But used and claimed by one family unit with Cassava planted there. Land is claimed based on customary law (please refer to Plate 19)
Letefoho tank North & PS	05-12-20	State land, has abandoned government building on the site.	Members of the community who were present during the visit confirms that the location is public land An abandoned government building is also existing on the site (please refer to Plate 20)
Merbuti tank - Letefoho tank Central	04-12-20	√	Transmission pipes will run along the road corridor
Letefoho tank Central - Manico Tank	04-12-20	√	
Manico tank - Babulo tank	04-12-20	√	
Letefoho tank Central - Postu Tank	04-12-20	√	
Letefoho tank Central - Letefoho North Tank	04-12-20	√	
Holarua tank - Letefoho tank north	04-12-20	√	
Distribution network (Length x 0.6m-width)	04-12-20	√	
Fecal sludge Treatment Plant	05-12-20	√	Further consultation revealed that the owner who claims the land has passed this onto 4 relatives who now have trees planted there.
Toilets			
Toilet 1 (Letefoho)	05-12-20	√	Location is within the existing public market and terminal (please refer to Plate 22)
Toilet 2 (Letefoho)	05-12-20	√	Location is within the perimeter of the Suco Center (please refer to Plate 23)
Toilet 3 (Holarua)	05-12-20	√	Location is within the perimeter of the Suco Center (please refer to Plate 24)
Toilet 4 (Babulo)	04-12-20	√	Location is within the perimeter of the Suco Center (please refer to Plate 25)

II. PROJECT IMPACTS

13. There are 11 affected households in Same and two plots that are government land with existing water facilities present that will be upgraded.

A. Affected Land Use

14. The project will acquire 12,762m² of land from 9 AHs. Details of this are contained in the table below.

Table 2 - Summary of Impacts

ID	HH head Name	Area affected m ²	Total Area under use / ownership m ²	% Impact	Trees impacted
S1	Filomena de Araujo	775	100,000	9%	19
S2	Amandio da Costa	682	3,0000	6%	25
S3	Cristovao Arif dos Santos	650	70,000	9%	140
S4	Marcelo da Costa	-	-	0%	43
S5	Siana Cardoso Felgas	820	150,000	5%	120
S6	Esrom Luisinho D. C. M. Sarmento	-	-	0%	21
S7	Government Property	-	-	0%	0
S8	Nia Octavia da Conceição	650	105,000	6%	134
S9	Idelfonso Cardoso	2960	33,000	8%	215
S10	Joni Martins	4150	133,000	9%	43
S11	Aluizio da Costa	1250	11,000	5%	21
S12	Antonio dos Reis	825	17,000	2%	9
S13	Government Property	-	-	0%	0
Total		12,762	649,000	5%	790

B. Affected Main Structures

15. There are no anticipated impacts on primary structures

C. Affected Secondary Structures

16. 110m of fencing belonging to two (2) households with affected trees and crops will be impacted and compensated for.

D. Affected Fruit and Timber Trees

17. There are eleven (11) households who will lose a total of 790 trees and plants as indicated in the table below.

Table 3 – Tree impacts per HH.

HH ID	HH Head	Banana	Orange	Bettlenut	Guava	Papaya	Taro	Coconut (L)	Coconut (S)	Cassava	Mango	Bamboo	Teakwood (L)	Teakwood (m)	Teakwood (s)	Gemelina (L)	Gemelina (m)	Gemelina (s)	Pineapple	Eggplant	Moringa	Total	
S1	Filomena de Araujo			6	2									6	5								19
S2	Amandio da Costa		1	8	4	12																	25
S3	Cristovao Arif dos Santos	5			8	2	8	10	34	48	2			4	4				13		2		140
S4	Marcelo da Costa				4				8		1					1	6	5	18				43
S5	Siana Cardoso Felgas									120													120
S6	Esrom Luisinho D. C. M. Sarmento										1	20											21
S8	Nia Octavia da Conceição				2			1					47	43	37					4			134
S9	Idelfonso Cardoso												47	82	86								215
S10	Joni Martins													21	22								43
S11	Aluizio da Costa												1	11	9								21
S12	Antonio dos Reis												1	3	5								9
		5	1	14	20	14	8	11	42	168	4	20	96	170	168	1	6	5	31	4	2		790

E. Risk of Economic Displacement

18. There may be some temporary disturbance to activities along main roads where the replacement pipe network will be laid. Representative locations were visited and road areas are wide and pipes can be cut and covered within a day.

F. Unforeseen Impacts

19. New AHs/APs that will emerge in the course of project implementation (for example, due to changes in project scope or impact will be provided the same entitlements as the AHs/APs identified in this Updated REGDP.

20. Should any unanticipated impacts or scope change occur ADB must be informed immediately for advice about how to proceed. This may require an update to this Updated REGDP.

G. Summary of Impacts

21. The table below gives a summary of the assets that AHs will lose on account of the subproject.

Table 4 - Summary of Impacts

No	Particulars	Unit	Total
1	Land	m ²	12.762
2	Fence	m	110
3	Crops	m ²	0
4	Fruit trees	no	89
5	Timber trees	no	434
6	Palm trees	no	53
7	Plants	no	214

H. Categorisation

22. The safeguard category for involuntary resettlement is B. There are impacts on 11 HHs, none are severely affected. The project will maintain most infrastructure on unencumbered state public land. Pipe laying will occur within state-owned roads with minimal impact corridors.

23. The legal recognition of Indigenous Peoples in Timor-Leste is complicated by a long history of colonization, the widespread adoption of Christianity and occupation. The terminology linked to Indigenous People is problematic for the Timorese. The label of 'indigenous' was used in colonial times to negatively categorize people and attaining government positions or an education could therefore mean losing that label. There remains significant stigma around that terminology and field work indicated that people did not self-identify as being from any ethnic grouping aside from being Timorese.

24. In this situation, it is not appropriate to distinguish and categorize between different groups. Indigenous People in Timor-Leste, in common with Indigenous and First Nations peoples all over the world, share a deep, spiritual connection to their land and natural resources.

25. Despite wide adoption of Christianity, a review of literature reveals that the vast majority of the population share indigenous values and spiritual beliefs which are reflected in strong local institutions, customary justice and land management.

26. ADB SPS for Indigenous Peoples safeguards are triggered where a project is anticipated to have either a positive or negative affect, directly or indirectly on IP;

- (i) dignity, human rights, livelihood systems or culture

- (ii) territories or natural or cultural resources (the tangible aspects of their identity).¹

27. The safeguards apply when a distinct, vulnerable, social and cultural group is present whom can be described as having the following four characteristics which may be in present in varying degrees. The description of the characteristics and justification can be found in the table below. It is therefore determined that this project is categorized as a B for IP.

Table 5 - ADB SPS Criteria for IP Categorization

ADB SPS Criteria	Project Status
Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;	The issue of self-identity is complex due to the negative stigma of self-identifying or being identified as an IP.
Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;	This is a key issue as land ownership is understood to be customary and linked to each clan's origin story, believing land to be given to them by a mythical first settler. There is a strong and highly significant spiritual link to water and land use which must be respected in project plans. Not recognizing this attachment would further compound the losses experienced by the communities in the project areas.
Customary, cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and	Land ownership in Timor-Leste still follows customary practices which are widely recognized and respected.
A distinct language, often different from the official language of the country or region.	There are 16 languages recognized however language is an academic categorization, the origin story of each clan / family group is the most critical to be recognized.

28. While a review of the criteria requires that people need to be both distinct and vulnerable to trigger application of the term IP for the purposes of ADB projects. Despite not being in a minority, the IP groups in Timor-Leste are distinct and are vulnerable due to a lack of recognition of their unique identity and their customary land and legal systems. This, in the context of development projects, risks compounding further the loss of identity and recognition of ownership created by colonization and a turbulent recent history.

29. The key relevance of IP issues for this project are related to

- (i) Development of an appropriate GRM which takes into account local conflict resolution mechanisms
- (ii) Consultations and stakeholder engagement that are detailed and respect clan and family relationships
- (iii) Participatory Project design – to ensure that livelihoods, cultural activities and O&M plans are culturally appropriate

¹ ADB SPS (2009)

(iv) Customary land use to be correctly negotiated in line with community expectations

30. These topics and safeguard requirement are set out in this Updated REGDP and will inform the customary water management plans that are contained in this document (Section VI)

31. As the majority of the population is indigenous and there is a sensitivity to terminology, the use of the word 'Indigenous' will not be used to describe the affected groups, communities or people. Reference to affected people or communities is intended to be inclusive of the indigenous peoples impacted by the project activities.

III. SOCIO ECONOMIC PROFILE OF AHS

32. The DMS² and a survey (SESAH³) covering all previously identified AHs in Same was conducted between December 4 to 6, 2020. This was checked in October 2023 once the final DED was approved which identified that one of the land plots had actually been split between 4 family members. The survey was updated in September and October 2023 based on the final DMS and verification of the IOL. This led to some changes in AHs and their status as the original data was collected during the pandemic and economic conditions are more stable when compared to 2020.

33. Two enumerators carried out the SESA, asset registration and DMS on the same day. AHs signed to show their acceptance of the asset registration, DMS and SESA details. A copy of this was left with the household.

A. Basic Information on the AH Heads

34. The average household size of AHs is 5.5. Many of the household heads reported that their children were working either in Dili or overseas for better livelihood opportunities. No regular remittances were reported during the survey.

Table 6 - Household Information

No.	Component	HHID	Name of head of HH	No of APs
1	Merbuti Tank	S1	Filomena de Araujo	6
2	Merbuti Tank	S2	Amandio da Costa	5
3	Manico Tank	S3	Cristovao Arif dos Santos	7
4	Manico Tank	S4	Marcelo da Costa	8
5	Holarua Tank	S5	Siana Cardoso Felgas	6
6	Letefoho Central Tank	S6	Esrom Luisinho D. C. M. Sarmiento	6
7	Letefoho North Tank	S7	Existing Structure	0
8	Babulo Tank	S8	Nia Octavia da Conceição	6
9	FSTP	S9	Idelfonso Cardoso	7
10	FSTP	S10	Joni Martins	5
11	FSTP	S11	Aluizio da Costa	5
12	FSTP	S12	Antonio dos Reis	5
13	Posto Tower Tank	S13	Existing Structure	0

² DMS Form is shown in Appendix 2

³ SESA questionnaire is shown in Appendix 3

Table 7 - Educational Attainment

ID	HH head Name	Education Level
S1	Filomena de Araujo	Completed secondary/vocational school
S2	Amandio da Costa	Completed primary
S3	Cristovao Arif dos Santos	Completed secondary/vocational school
S4	Marcelo da Costa	Completed primary
S5	Siana Cardoso Felgas	Some secondary/vocational school
S6	Esrom Luisinho D. C. M. Sarmento	Completed secondary/vocational school
S8	Nia Octavia da Conceição	Completed secondary /vocational school
S9	Idelfonso Cardoso	Completed secondary
S10	Joni Martins	Completed secondary
S11	Aluizio da Costa	Completed Primary
S12	Antonio dos Reis	Completed secondary

B. Occupation and Income

35. Government is the largest employer within the HHs. There is also a significant contribution to income from government subsidies such as pension and a special allowance due to COVID-19. For the purposes of estimating the poverty line these special allowances were not included as they are a temporary subsidy and when the DMS was verified in 2023 this subsidy was no longer in place.

Table 8 - Household Income

ID	HH head Name	Total Monthly Income	Per Capita Income
S1	Filomena de Araujo	\$ 285.00	\$ 47.50
S2	Amandio da Costa	\$ 205.00	\$ 41.00 ⁴
S3	Cristovao Arif dos Santos	\$ 380.00	\$ 54.29
S4	Marcelo da Costa	\$ 510.00	\$ 63.75
S5	Siana Cardoso Felgas	\$ 1,520.00	\$ 253.33
S6	Esrom Luisinho D. C. M. Sarmento	\$ 360.00	\$ 60.00
S8	Nia Octavia da Conceição	\$ 510.00	\$ 85.00
S9	Idelfonso Cardoso	\$ 335.00	\$ 47.86
S10	Joni Martins	\$ 260.00	\$ 52.00
S11	Aluizio da Costa	\$ 265.00	\$ 53.00
S12	Antonio dos Reis	\$ 635.00	\$ 127.00

Table 9 - Primary Income Source

HH	Household primary income source (Monthly)											
	Salary or wage			Farming			Trading			Pension		
	M	F	Amount \$	M	F	Amount \$	M	F	Amount \$	M	F	Amount \$
S1					1			1				
S2				1			1					
S3	1											
S4	1											
S5	1											
S6	1											

⁴ Below poverty line

S8												
S9		1										
S10				1								
S11				1								
S12				1								

36. All households recorded secondary income sources. No households reported any regular remittances despite reporting spouses and children working overseas.

Table 10 - Secondary Income Source

	Household secondary income source (Monthly)											
	Salary or wage			Farming			Trading			Pension		
	M	F	Amount	M	F	Amount	M	F	Amount	M	F	Amount
S1					1	100.00					1	35.00
S2										1		35.00
S3				1		60.00						
S4					1	70.00		1	120.00			
S5		1	320.00									
S6								1	120.00			
S8					1	70.00		1	120.00			
S9				1		120.00		1	100.00	1		35.00
S10								1	200.00			
S11								1	180.00	1		35.00
S12										1		35.00

37. The poverty line was set in 2014⁵ at \$46.37 per person per month. This will form the basis for calculations of allowances and identification of vulnerable households.

38. All households reported holding livestock for home consumption. In rural areas the holding of livestock is a way of saving income as particularly large livestock can be sold when cash is needed.

39. One household reported holding over 100 cattle but no regular income from livestock.

40. Care of livestock was raised as an issue for water during the focus group discussions with women who reported that they were responsible for care of livestock.

C. Land Ownership

41. Land ownership and use in Timor-Leste is governed by customary systems. These are widely accepted and acknowledged and there have not yet been efforts to formalize this in the project areas. Therefore claims on land that are confirmed during community and household consultations will be accepted as valid claims on land.

D. Water Supply and Sanitation

42. All of the surveyed AHs reported having a pour flush toilet, eight of these were outside the house and 4 inside.

⁵ TIMOR-LESTE SURVEY OF LIVING STANDARDS-3

43. All households reported their main drinking water source was a public tap / standpipe. Water supply is currently around an hour a day.

E. Vulnerable Households

44. According to the agreed criteria, there is one vulnerable household whose income is below the poverty line.

IV. LEGAL FRAMEWORK

A. Legal and Institutional Framework of Timor-Leste

45. The constitution of the Democratic Republic of Timor-Leste was created in (2002) with the formation of Timor-Leste as an independent nation on the 20th of May 2002.

46. Provisions and principles adopted in the project resettlement policy will supplement the provisions of relevant decrees currently in force in Timor-Leste.

47. A comparison between ADB SPS 2009 and GoTL regulations on involuntary resettlement and the relevant applicable to the WSSIP project are presented in Appendix 5. Where there are gaps the higher standard will apply.

48. The UN General Assembly adopted a non-legally binding UN Declaration on the Rights of Indigenous Peoples in 2007 of which Timor-Leste is a signatory. There are also three key conventions on cultural heritage, particularly relevant to projects that require broad community support. The Convention Concerning the Protection of the World Cultural and Natural Heritage, also known as the World Heritage Convention (1972), has been widely adopted by almost all DMCs. The two more recent conventions relate to indigenous cultures and traditional knowledge have been ratified by the majority of the United Nations Educational, Scientific and Cultural Organization's member states: The Convention for the Safeguarding of Intangible Cultural Heritage (2003), ratified by 143 of 190 member states, and the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005), ratified by 117 member states.

49. Apart from the above conventions, there is no specific legislation regarding the identification of IPs in Timor-Leste as they are the majority and therefore do not require special recognition within the population.

50. The main criteria for the identification of different groups of IPs in an academic sense is tied to language. The census in 2015 recorded 32 different languages spoken as well as Portuguese. Academic studies reviewed indicated between 16 and 18 distinct languages. The origin of these can be traced back to two broad language groups - Austronesian (Malayo-Polynesian) and Papuan (Melanesian).

51. Tetum is spoken by the majority of people in Timor-Leste and is an indigenous language, now heavily influenced by Portuguese. The constitution Section 13(1) of the 2002 constitution designates Portuguese and Tetum as Timor-Leste's two official languages. The same section also provides that "Tetum and the other national languages shall be valued and developed by the State." English and Indonesian are sometimes used and section 159 of the constitution provides that these languages serve as "working languages within civil service side by side with official languages as long as deemed necessary".

B. Customary Law

52. Customary Law and practices play a central role in resolving disputes and negotiating sharing of natural resources between individuals and communities. These systems have been resilient through a turbulent history and the project must gain a clear understanding of these and how they relate to the planned project and the development of the new water utility (Fitzpatrick et. al. 2008).

53. Despite shared beliefs, the origin of a clan is more relevant than origin of a language or different group. With clans believing land to be given to them by a mythical first settler. That land is passed down within generations do not always align with the boundaries put in place by formal government systems but is generally understood and known by the communities themselves.

54. Elders in the community play an integral role in conflict resolution in the customary justice system at the hamlet (aldeia) or village (suco) level. Tara bandu are recognized as a traditional framework of laws of communities in Timor-Leste. They regulate the relationships between people and the environment, promoting traditional environmental protection and management, through the control of, access to and use of natural resources. Tara bandu passes traditional knowledge, laws and respect for the environment down through generations, and these vary from community to community. It has been seen by the state as a means to facilitate decision making and conflict resolution on the use of natural resources (Palmer 2015)

55. Any conflict or Issues and especially those related to land use are presided over by local Elders (Lia Nain) based on traditional practices (Lulik) which for many centuries have regulated community relationships linked to kinship in sacred houses (Uma Lulik).

56. This coupled with a post-conflict environment requires very detailed community engagement to ensure that the development of natural resources such as water consider the customary practices which are an integral part of everyday life.

57. There is a risk that not properly engaging with the communities will result in conflict and vandalism of structures that are not agreed to. There is a strong desire for water systems within communities, but the need to examine not just the environmental impacts of changing flow, but the social impacts cannot be overstated. Evaluations of past projects also identify this as an area for improvement.

58. Gender is a key concept for the provision of water as many of the tasks identified during the socio-economic survey were carried out by women and represent a significant burden of time. Further work is needed to understand the implications of customary justice systems for women and access to water and sanitation. It is not a question of following all customary practices, it is to understand the implications and then negotiating within the communities. This may include how the project and its associated activities can empower women and ensure equal access to project benefits and have their perspectives taken into account.

C. Customary Water Management Plan

59. The concept of Community Water Management Plans were therefore included in the original REGDP and envisaged to cover;

- (i) Refining of the current proposed GRM to take into account local conflict resolution mechanisms
- (ii) Further consultations and stakeholder engagement that is detailed and respect clan and family relationships
- (iii) Adaptations to project design - to ensure that livelihoods and O&M activities are culturally appropriate and offer opportunities for women
- (iv) Customary land use to be correctly negotiated in line with community expectations
- (v) Appropriate cultural practices, chosen by the communities are funded by the project to ensure that spiritual concerns acknowledged.

60. Elders in the community also play an integral role in conflict resolution in the customary justice system at the hamlet (aldeia) or village (suco) level. Tara bandu are recognized as a traditional framework of laws of communities in Timor-Leste. They regulate the relationships between people and the environment, promoting traditional environmental protection and management, through the control of, access to and use of natural resources.

61. Tara bandu passes traditional knowledge, laws and respect for the environment down through generations, and these vary from community to community. It has been seen by the state as a means to facilitate decision making and conflict resolution on the use of natural resources (Palmer 2015)

62. Any conflict or Issues and especially those related to land use are presided over by local Elders (Lia Nain) based on traditional practices (Lulik) which for many centuries have regulated community relationships linked to kinship in sacred houses (Uma Lulik).

63. Gender is a key concept for the provision of water as many of the tasks identified during the socio-economic survey were carried out by women and represent a significant burden of time. Further work is needed to understand the implications of customary justice systems for women and access to water and sanitation. It is not a question of following all customary practices, it is to understand the implications and then negotiating within the communities. This may include how the project and its associated activities can empower women and ensure equal access to project benefits and have their perspectives taken into account.

64. In March 2023 further consultations were held with community leaders, spiritual leaders and clan elders. This was facilitated by a National expert on Indigenous Peoples land policy and issues who provided the following background on the belief systems of Timorese people

65. Before the arrival of Europeans to the island of Timor, local people already had a sophisticated belief system which centered around the idea of fertility. The prominent figure of that system is a female-fertility goddess called “Maromak” (the mother of the enlightened one). All things that have fertility values to support or give life centered around Maromak, such as land, water, lakes, rivers, forest, trees, hills, rocks, etc. For this reason, Timorese still treat natural resources as a living entities which must be respected.

66. Timorese attribute ‘lulik’ – meaning sacred, holy or forbidden to all important natural resources. This is the reason why land is considered rai-lulik (sacred land), bee lulik (sacred water, ai-lulik (sacred tree), foho-lulik (sacred hill), etc.

67. For the above reasons, natural resources must be respected and permission though animal sacrifices in ceremonies is required when accessing these resources. The objectives of the ceremonies are four fold. First, to show respect to the resources itself, such as land, tree, water, hills, etc. Secondly, to seek forgiveness for disturbing the life of micro-organisms that live on these resources. Thirdly, to respect the spirits of the ancestors who now reside in the unseen world. Fourthly, to show gratitude to Maromak who provided to humans her fertility values.

68. Timorese believe that there are consequences for disrespecting natural resources. Disregarding resources will upset the creator or fertility goddess. Because the belief system is centered around the idea of fertility, the sanctions for disregarding the fertility goddess will cause infertility to human in the form of sickness, death, natural disaster, war and conflicts, failed harvest, long dry season, dry spring, illness or death of livestock, etc.

69. These are the reasons why Timorese conduct ceremonies when accessing natural resources such as land, springs, rivers, lake, etc. Even to harvest corn and rice, ceremonies must be conducted to show gratitude to nature and Maromak. Spings and water sources often have recognized customary owners who are an important stakeholder and spiritual spokesperson for the clan (Extended family group) that hold the customary rights to the water source.

The strength of connection of Timorese to these natural resources requires contractors and especially outsiders to be respectful of the customary rules and traditions at all times. Promoting social capital around the new water utility and grant public support for the new systems must include this facet.

D. ADB’s Safeguard Policy

70. The ADB’s Safeguard Policy Statement (SPS) combines three of its key safeguard policies; environment, involuntary resettlement (IR) and indigenous peoples (IP). It aims to promote sustainability by managing potential environmental and social risks. The project is considered category B as less than 200 persons will experience significant impact as per ADB SPS.

71. The objectives of the involuntary resettlement safeguards are to avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to

enhance or at least restore the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. There are 12 policy principles related to involuntary resettlement which are found on page 17 of the Safeguards Policy Statement (2009) of ADB. Details on each policy principle are found within the SPS.

72. The ADB policy on gender and development adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring participation of women and that their needs are explicitly addressed in the decision-making process for development activities.

73. Other policies of ADB that have a bearing on resettlement planning and implementation are: (i) Public Communications Policy (2011) and the Operations Manual Section L3/BP (2012); and (ii) Accountability Mechanism (Operations Manual Section L1/BP, dated 29 October, 2012). Following these requirements, the Project is required to share and disclose project information with AP, stakeholders and the general public including concerning the Grievance Redress Mechanism (GRM).

74. According to ADB's 2009 Safeguard Policy Statement, the objectives are to design and implement projects in a way that fosters full respect for Indigenous Peoples' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the Indigenous Peoples themselves so that they:

- (i) receive culturally appropriate social and economic benefits;
- (ii) do not suffer adverse impacts as a result of projects; and
- (iii) can participate actively in projects that affect them.

75. ADB indigenous peoples' policy as presented in the SPS includes the following principles:

- (i) Screen early on to determine whether Indigenous Peoples are present in, or have collective attachment to, the project area; and whether project impacts on Indigenous Peoples are likely.
- (ii) Undertake a culturally appropriate and gender-sensitive social impact assessment or use similar methods to assess potential project impacts, both positive and adverse, on indigenous Peoples. Give full consideration to options the affected Indigenous Peoples prefer in relation to the provision of project benefits and the design of mitigation measures. Identify social and economic benefits for affected Indigenous Peoples that are culturally appropriate and gender and inter-generationally inclusive and develop measures to avoid, minimize, and/or mitigate adverse impacts on Indigenous Peoples.
- (iii) Undertake meaningful consultations with affected Indigenous Peoples communities and concerned Indigenous Peoples organizations to solicit their participation (i) in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (ii) in tailoring project benefits for affected Indigenous Peoples communities in a culturally appropriate manner. To enhance Indigenous Peoples' active participation, projects affecting them will provide for culturally appropriate and gender inclusive capacity development. Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of the Indigenous Peoples' concerns.
- (iv) Ascertain the consent of affected Indigenous Peoples communities to the following project activities: (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. For the purposes of policy application, the consent of affected Indigenous Peoples communities refers to a collective expression by the affected Indigenous Peoples communities, through individuals and/or their recognized representatives, of broad community support for such project activities. Broad community support may exist even if some individuals or groups object to the project activities. (v) Avoid, to the maximum extent possible any restricted access to and physical displacement from protected areas and natural resources. Where avoidance is not possible, ensure that the affected Indigenous Peoples communities participate in the design, implementation, and monitoring and

evaluation of management arrangements for such areas and natural resources and that their benefits are equitably shared.

- (v) Produce an Indigenous Peoples Plan which is based on the social impact assessment with the assistance of qualified and experienced experts and that draw on indigenous knowledge and participation by the affected Indigenous Peoples communities. The IPP includes a framework for continued consultation with the affected Indigenous Peoples communities during project implementation; specifies measures to ensure that Indigenous Peoples receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.
- (vi) Disclose a draft IPP, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected Indigenous Peoples communities and other stakeholders. The final REGDP and its updates will also be disclosed to the affected Indigenous Peoples communities and other stakeholders.
- (vii) Prepare an action plan for legal recognition of customary rights to lands and territories or ancestral domains when the project involves (i) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, or (ii) involuntary acquisition of such lands.
- (viii) Monitor implementation of the IPP using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the IPP's objective and desired outcome have been achieved, taking into account the baseline conditions and the results of IPP monitoring. Disclose monitoring reports.

76. Consistent with the principle of social equity and environmental justice, the subproject design will be carried out with the support of those affected by project activities. BTL will ensure participation of the communities in all subproject activities and their equal participation in training programs (e.g. sanitation, hygiene, financial literacy and operation and maintenance. Due to watershed degradation and emerging water issues in urban areas, this engagement and local knowledge is critical to ensure sustainable development of water resources.

77. Broad Community Support will be documented through the minutes of the consultations attended by the relevant communities and will be integral to the Community Water Management Plans that will be developed. Initial consultations indicate a strong desire for improved water and sanitation.

78. In this case a combined RP and IPP has been produced and updated resulting in this Updated REGDP which contains the CWMP.

E. Project Principles

79. The table below highlights the project's resettlement principles.

Table 11 - Project Principles

No.	Topic	Key Principles
1	Owners / Users of Affected Assets	Owners and/or users of affected assets and loss of resources or access to resources shall be entitled for compensation and rehabilitation measures.
2		Lack of legal rights to the assets lost would not bar the project-affected people from entitlement to such compensation and rehabilitation measures.

No.	Topic	Key Principles
3		Customary Land and cultural aspects will be acknowledged and respected
4	Resettlement Planning	If possible, involuntary resettlement and loss of land, structures and other assets and incomes shall be avoided and minimized by exploring all viable options
5		Preparation of resettlement plans and their implementation shall be carried out with participation and consultation of project-affected people.
6		Schedule of budget for resettlement planning (including socio-economic surveys and/or census) and implementation shall be incorporated in project planning and financing.
7	Compensation for Affected Persons (APs) / Affected Households (AHs)	Project affected people shall be provided with compensation for their lost assets, incomes and businesses. The provision with rehabilitation measures shall be sufficient to assist project-affected people in improving or at least maintaining their pre-project living standards, income levels and productive capacity.
8		Replacement of affected assets shall be provided following the principle of replacement costs, without deduction for the value of salvaged materials, taxes, transaction costs and depreciation.
9		Payment of compensation or replacement of affected assets and any resettlement to new locations all concerning project affected people shall be completed prior to the award of civil works contract. Rehabilitation measures must also be in place, but not necessarily completed, as these may be ongoing activities
10		Compensation and rehabilitation assistance to vulnerable households such as households headed by women, the disabled and elderly, the landless and poor would be carried out with respect for their cultural values and specific needs.
11	Grievance Redress Mechanism	The GRM will address affected people's concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all affected people.
12	Meaningful Consultations	Will be carried out throughout the project cycle with full respect to local customary traditions, conflict resolution systems and beliefs

V. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION

80. The first round of public consultations were held in August 2020 in the affected Sucos in Same. This introduced the project and was a general briefing. This was followed by focus group discussions in November. A second round of consultations was held in December 2020. During these consultations, residents were informed about the (i) the next phase of the design of the subprojects; (ii) planned DMS and socioeconomic survey (SES) in the area; (iii) land acquisition and compensation process; (iv) policy on cut-off-date for eligibility to project entitlements; (v) grievance redress mechanism; and (vi) role of the asset registration. Individual household consultations were also held at this time for all affected HHs.

81. The public consultations indicated that there was broad community support for the installation of water supplies and demand is high.

82. Minutes for the meetings can be found in Appendix 7. Further consultations with individual households, village elders and community leaders were held in March 2023 and again in September 2023 with the verification of the DMS.

83. Further public consultations will be held in the lead up to construction activities. This will include schedule of construction, access to the GRM and detailed plans regarding the benefits that the new water supply will bring. Closer to commissioning of the new water supply work will need to be done to assist the community in understanding billing cycles, complaint mechanisms for operations and how to properly manage the new water supply.

Table 12 – Public Participation Key Dates in Same.

No.	Date/Time	Venue	Activity	Locations
1	October 12 2020	Same	City Level Consultations	City Hall of Same
2	November 18 2020	Same	Focus Group Discussions	Suco Holarua, Letefoho, Babulo Suco Level FGDs
3	December 4, 2020	Same	Suco level Consultations	Suco Holarua Public Consultation
4	December 5, 2020	Same	Suco level Consultations	Suco Letefoho and Suco Babulo Public Consultation

A. Consultation Results

84. During the consultations with clan elders, water source customary owners and member of the community the following themes emerged.

85. The ownership of the source was well understood by all stakeholders. In the case of Lospalos, the water supplies are from bore holes with very minimal impact. An area for tank storage will be reached by an access road through a pastoral area and there is sufficient space that this will not have a livelihood impact.

86. There has been no conflict around the use of water and all stakeholders indicated strong support for the project as a lack of water has been a significant hardship for all families in the city.

87. Communities requested that labor be drawn locally in order that local customs are respected and that the project further benefits economic opportunities in the city.

88. Appropriate cultural practices, chosen by the communities have already been funded by BTL and will continue to be to the project to ensure that spiritual customs are closely followed.

VI. GRIEVANCE REDRESSAL

89. The MPW through its PMU will established a Project Level Grievance Redress Mechanism (GRM) to receive, evaluate, and address project related complaints including construction and labor issues, from any affected individual. The purpose of the GRM is to provide a way for PAPs and other stakeholders to provide feedback and/or express complaints related to the subproject activities and for these concerns to be resolved in a timely manner.

90. The GRM must be accessible and reliable, triaged through the PSC team leader so that any systematic issues can be identified and addressed in a coordinated and timely fashion The PSC team leader will identify the most appropriate focal point to address the issue and ensure that the GRM register is maintained.

A. Grievance Redress Committee (GRC)

91. A Grievance Redress Committee (GRC) will be set up for the project once the PSC is mobilized. The GRC would be the tool to ensure proper presentation of grievances, impartial hearings and transparent decisions and shall be established through a gazette notification from the MPW. The female members of the GRC must participate in every hearing if the aggrieved person or PAP is female. The composition of the GRC is as below;

- GRM Administrator
- PSC Leader/Manager
- GRM focal points (Social & Gender, Environmental, GBV service provider & Engineer)
- Representatives of Contractor;
- Local authority (Suco chief)
- At least three female members if representatives are all males.
- Project Management Unit (ESU)

B. Grievance Redress Mechanism

92. The table below sets out the mechanism which is compliant with the mechanism devised in the original REGDP and the Land Law and Expropriation Law.

Table 13 - Grievance Redress Mechanism

Step	Process	Duration
1	Grievance reception/acceptance PAPs submits his/her grievance in person, via phone call, or via complaint box to the GRM operator and will proceed to data base recording.	1 day
2	Acknowledgment and record The complainant receives confirmation that his/her grievance has been received. The grievance is entered in the database using a grievance registry form, and the PSC team leader is notified to allocate the issue to the most appropriate person / focal point	2 days
3	Assessment Appropriate investigation is decided at the assessment stage. If deemed necessary, the investigation can include a risk assessment. The investigation may include follow-up meetings between stakeholders and the complainant, where an impartial party (Suco chief) is present. Minutes are recorded and added to the grievance database	5 days
4	Resolution & Complainant Satisfaction a. <u>Project Level Resolution</u> Grievance focal points and its related department will provide solution to the grievance and discussed it with the PSC Manager for final approval. If resolution is agreed (Yes) ; The process concludes with a written agreement signed by the complainant(s) and PSC manager	14 days max

Step	Process	Duration
	If unresolved (No) ; or at any stage if PAP is not satisfied the grievance will be elevated to next level	
	<p>b. <u>Management Level Resolution:</u></p> <p>The technical unit within the PMU will provide proposed solutions in relation to the grievance and discuss it with the PMU manager for final approval.</p> <p>If resolution is agreed (Yes); The process concludes with a written agreement signed by the complainant(s) and PMU manager</p> <p>If unresolved (No); or at any stage if PAP is not satisfied the grievance will be elevated to next level</p>	14 days max
	<p>c. <u>Ministry Level Resolution</u></p> <p>PMU and the MPW coordinator refers the matter to the designated government offices (DGPW, Land Dept., Agriculture Dept., Housing Dept. & MoF – Loan Unit)</p> <p>If resolution is agreed (Yes); The process concludes with a written agreement signed by the complainant(s) and Minister of MPW</p> <p>If unresolved (No); or at any stage if PAP is not satisfied the grievance will be elevated to next level</p>	30 days max
5	<p>d. <u>Litigation</u></p> <p>PAPs can take the matter to appropriate court</p>	As per judicial system

C. GRC Record Keeping

93. The PSC team leader, in partnership with PMU, will keep a record of grievances received, including names and pertinent information about the PAPs, nature of the complaints, dates the complaints are lodged, and resolution of the same. Grievances not resolved will also be recorded, detailing negotiations and proposals which could not be agreed on, and the dates these negotiations took place.

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

95. All complaints should be recorded in a database. The Following information will be recorded.

- Location of grievance
- Name of contractor
- Name of the complainant
- Spouse name
- Address and phone
- Occupation
- Date of birth
- Date and time of receipt of complaint
- Recording date of complaint
- Name of person recording the grievance
- Scope of complaint
- Category of complaint
- Type of action

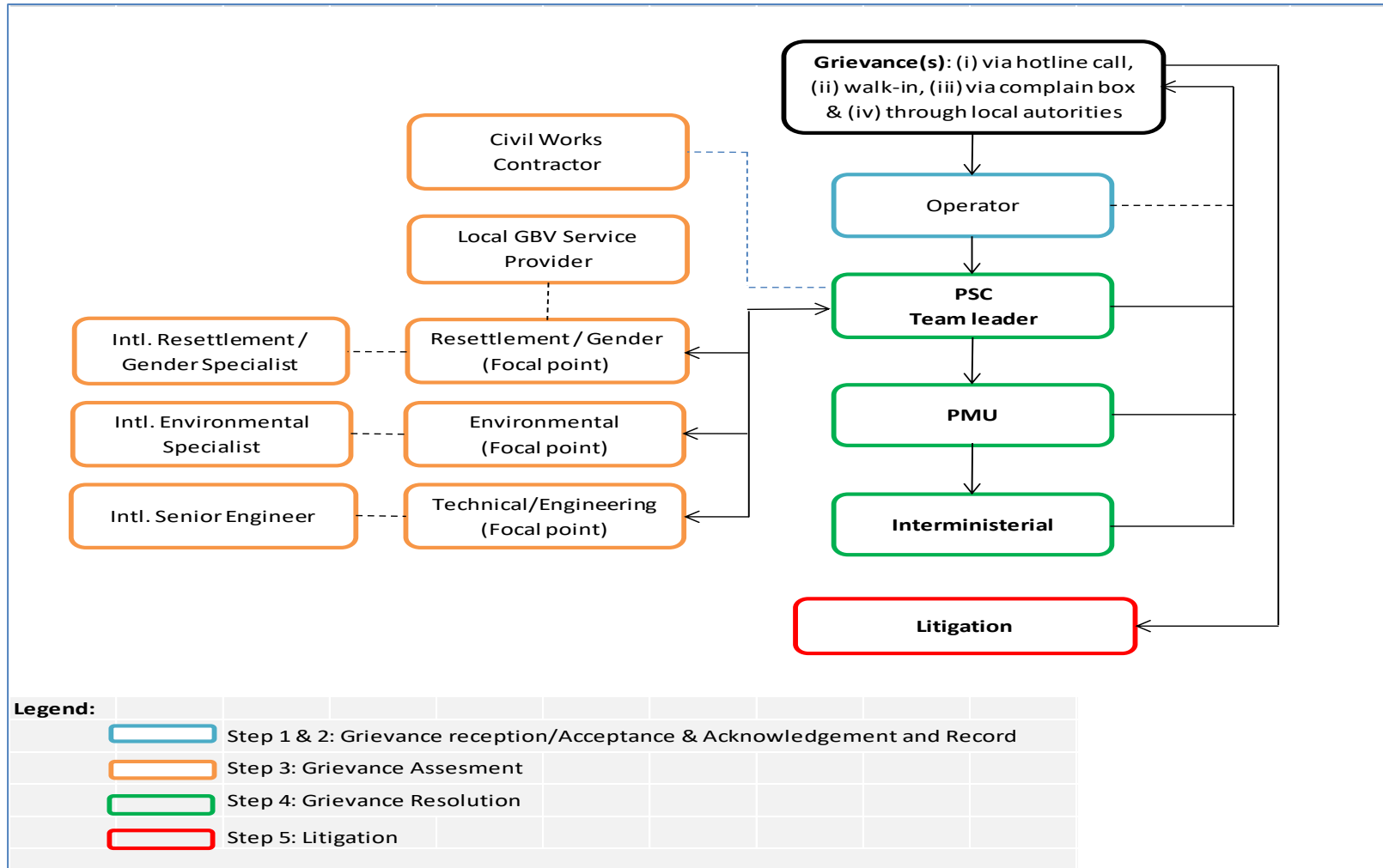
-
- Status of grievance process (delegate, fact finding, appeals, settlement, close, unable to complete)
 - Delegated units (and responsible staff) as necessary
 - Status of final report
 - Status of providing information to the complaining party
 - Feedback status of a person who is complaining

96. A summary of this information will be included in the quarterly / Semi-annual monitoring reports which will be submitted to ADB.

97. A further refinement of this process was conducted in 2023 as part of this update.

98. An aggrieved AH may also bring its complaint directly to the ADB Timor-Leste Resident Mission, or to the ADB Office of the Special Project Facilitator. The PCU will keep a record of grievances received, including names and pertinent information about the AHs, nature of the complaints, dates the complaints are lodged, and resolution of the same. Grievances not resolved will also be recorded, detailing negotiations and proposals which could not be agreed on, and the dates these negotiations took place.

Figure 2 - Project GRM



VII. PROJECT ENTITLEMENTS

99. Only persons and organizations with fixed assets and sources of income in subproject COI at the time of the cut-off date are eligible to receive project entitlements. The cutoff date for Same was disseminated on the 3rd of December (Appendix 8). Notice of cutoff date was also included in DMS forms given to AHs.

100. There are three types of APs (i) legal owners and holders of title; (ii) those who do not currently possess legal titles but have legal rights to the land, including customary rights; and (iii) those who do not have any recognizable rights to land.

101. Following further consultations in March 2023, the concept of customary land was explored with clan representatives, community leaders and department of land and property. It was agreed that where customary land was required for development of water sources or storage the land would not be compensated for as it has no identifiable individual owner. Any production, crops, trees or livelihood impacts based on an individual's use, this would be compensated as per the matrix with a new location for any agricultural activities identified by the clan. In all cases visited during the mission adequate, comparable locations were available for resumption of activities.

102. This matrix outlines the entitlements of APs/AHs based on the type and severity of their losses.

Table 14 - Entitlement Matrix

No	Type Of Loss	Application	Definition Of Entitled Person	Entitlement Policy
	Loss of use of customary Land	Loss of land with remaining land sufficient to reorganize crops / access	Customary user with a loss of crop / trees or access	User will be able to choose equivalent area of land to resume activities. Full cash compensation for any livelihood impacts as set out in section 5 and 6.
1	Loss of Productive Agricultural Land (Income generating land)	Less than 10% of total productive agricultural land holding lost (therefore, marginal impact on household income and living standards).	a) Legal user with valid title or customary or usufruct rights. AHs would be within the corridor of impact	AHs will be entitled to: <ul style="list-style-type: none"> – Equivalent area of land or – Cash compensation for acquired land at replacement value. – Cash compensation for land preparation.
			b) Tenant, leaseholder and sharecropper	AHs will be entitled to: <ul style="list-style-type: none"> – Support to locate equivalent leased land or – Reimbursement for un-expired lease – Compensation for land improvement

No	Type Of Loss	Application	Definition Of Entitled Person	Entitlement Policy
			c) AHs without valid title (encroachers, squatters)	AHs will be entitled to: - Cash compensation for loss of land preparation - Squatters / Encroachers will not be entitled to land compensation.
		More than 10% of productive land holding lost, or where <10% lost but the remaining land becomes economically unviable. (severe impact on household income and living standards)	Legal user with valid title or customary or usufruct rights. AHs would be within the corridor of impact	AHs will be entitled to: - Equivalent area of land with equivalent productive potential. Or - Cash compensation for acquired land at replacement value. - Cash compensation for land preparation.
			b) Tenant, leaseholder and sharecropper	AHs will be entitled to: - Support to locate equivalent leased land or - Reimbursement for un-expired lease - Compensation for land improvement - Transitional allowance until equivalent new lease opportunity located.
			c) AHs without valid title (encroachers, squatters)	AHs will be entitled to: - Cash compensation for loss of land preparation - Squatters / Encroachers will not be entitled to land compensation.
	Loss of residential, commercial, industrial or institutional land	Loss of residential, commercial, industrial or institutional land with remaining land sufficient to reorganize	a) AHs with valid title or customary and usufruct right.	AHs will be entitled to the following: - Cash compensation for affected portion of the land at replacement value.
			b) AHs such as tenants and leaseholders	AHs will be entitled to the following: - Reimbursement for un-expired lease - Transitional allowance until equivalent new lease opportunity located.

No	Type Of Loss	Application	Definition Of Entitled Person	Entitlement Policy
			c) AHs without title (squatters and encroachers)	AHs will be entitled to the following: <ul style="list-style-type: none"> – Cash compensation for affected structures at replacement value. – Transitional allowance until equivalent new lease opportunity located. – Squatters / Encroachers will not be entitled to land compensation.
		Loss of residential, commercial, industrial or institutional land without sufficient remaining land. APs will be required to relocate	a) AHs with valid title or customary land use rights.	AHs will be entitled to the following: <ul style="list-style-type: none"> – An equivalent area of land in an acceptable location, or – Cash compensation for the entire land holding at replacement value.
			b) AHs such as tenants and leaseholders	AHs will be entitled to the following: <ul style="list-style-type: none"> – An equivalent area of leased land – Reimbursement for un-expired lease – Transitional allowance e
			c) PAPs without title (squatters and encroachers)	AHs will be entitled to the following: <ul style="list-style-type: none"> – Cash compensation for any affected structures at replacement value – Transitional allowance equivalent to two months' income. – Squatters / Encroachers will not be entitled to land compensation.
<p>Implementation Considerations:</p> <ul style="list-style-type: none"> • Verification of land size and use will be required as part of resettlement planning • In the case of land loss, if land is not available cash compensation should be based on replacement cost including transaction costs. This should be set by the appropriate agency, within the same year that compensation will be paid • Compensation must be fully paid prior to impact • All entitlements will be subject to a gap analysis of local laws and ADB SPS (2009) requirements. In the event of gaps, the higher standard will apply. 				

No	Type Of Loss	Application	Definition Of Entitled Person	Entitlement Policy
2	Structures (Residential, commercial, industrial or institutional)	Partial loss of structure and the remaining structure viable for continued use.	a) Legal owner of the affected structure with valid title or customary rights.	AHs will be entitled to the following: <ul style="list-style-type: none"> - Cash compensation for affected part of the structure at replacement value; and - Allowance to cover repair cost of the remaining structure.
			b) Owner of affected structure without title (squatter / encroacher)	AHs will be entitled to the following: <ul style="list-style-type: none"> - Cash compensation for affected part of the structure at replacement value; and - Allowance to cover repair of the remaining structure. - OR Contractor to restore to pre-project conditions
		Entire loss of structures or where only partial impact, but the remaining structure is rendered unviable for continued use, and sufficient land for reorganization.	a) Legal owner of the affected structure with valid title or customary rights	AHs will be entitled to the following: <ul style="list-style-type: none"> - Structure of equivalent standard in an acceptable location or - Cash compensation for entire structure at replacement value.
			b) Owner of affected structure without title (squatter / encroacher)	AHs will be entitled to the following: <ul style="list-style-type: none"> - Cash compensation for entire structure at replacement value.
			c) Tenant / leaseholder in the partially affected structure	AHs, if displaced, will be entitled to the following: <ul style="list-style-type: none"> - Transitional allowance until equivalent new lease opportunity located.
Implementation Considerations: <ul style="list-style-type: none"> • At least thirty (30) days' notice is issued prior to the date of eviction or demolition. APs may be allowed to self-demolish their structures where safe to do so to enable them to preserve materials that still have salvage value. 				
3	Loss of trade / livelihood / occupation	Agricultural / industrial / commercial or institutional wage employment impacts	Individuals	AHs will be entitled to the following: <ul style="list-style-type: none"> - Employment in reconstructed enterprise or package for re-employment or starting a business and transition allowance equivalent to one year's wages in case of permanent closure. - In case of temporary closure, compensation will be wages equivalent to closure period.

No	Type Of Loss	Application	Definition Of Entitled Person	Entitlement Policy
4	Loss of access to common resources and facilities	Loss of access to rural common property resources and urban civic amenities	Communities / Households	AHs will be entitled to the following: <ul style="list-style-type: none"> - Replacement of common property resources / amenities. - Access to equivalent amenities / services.
5	Loss of standing crops	Standing Crops located in the corridor of impact	Household who cultivates the land.	AHs will be entitled to cash compensation equivalent to market value of damaged crops as verified by Ministry of Agriculture AHs will be entitled to \$1 USD per m2 of affected land as compensation for lost future production Any HH (severely impacted) with more than 10% of their income lost due to impacted production will be entitled to livelihood restoration training to be determined based on HH interest
6	Loss of trees and productive plants including NTFPs, firewood herbs and forage foods	Affected Trees and Plants	Owners of the affected trees irrespective of land tenure status. Includes women who may gather items from public ./ unused land for sale or consumption	AHs will be entitled to cash compensation equivalent to market value on the basis of type, age & productive value. Alternative sources should be explored and discussed during community consultations
7	Loss of public infrastructure	Infrastructure (electric water supply, sewerage & telephone lines; public health center; public water tanks)	Relevant agencies.	Compensation in cash at replacement cost to respective agencies.
8	Losses during transition of physically displaced persons / business establishment	Affected Assets	Losses during <ul style="list-style-type: none"> • Shifting / transport • Maintenance • Construction 	The AHs will be entitled to the following: <ul style="list-style-type: none"> - Provision of transport or cash equivalent for transport arrangement - Cash payment for 3 months - Lump sum cash payment for materials and labor or provision for materials
9	Temporary Losses	Affected structures or other fixed assets	Affected HHS	In cash, on the basis of replacement cost of material and labor without deduction for depreciation or salvageable materials for the damages during the period of temporary

No	Type Of Loss	Application	Definition Of Entitled Person	Entitlement Policy
				possession.
10		Business Disruption	Affected HHs	compensation at market value and for loss of net income x number of days of income lost.
11		Severely affected structures	Affected HHs made to shift temporarily from their present location	Entitlement will be in terms of rent allowance to cover the cost of alternate accommodation for the period of temporary displacement.
12		Loss of crops and trees	Affected HHs	compensation at market value and for loss of net income from subsequent crops that cannot be planted for the duration of temporary possession
13		Temporary acquisition	Affected HHs	No compensation for land if returned to the original user, but a monthly rent as per market value will be paid to PAPs. PAPs will be compensated immediately and damaged assets will be restored to its former condition.
14		Long term disruption	Affected HHs	If the disruption continues for more than one year, PAPs will have an option to: <ul style="list-style-type: none"> - continue the temporary use arrangements, or - opt for permanent acquisition at replacement value and any other rehabilitation entitlements provided to other permanently affected PAPs under the same project.
<p>Implementation Considerations: In the event of temporary disruption to access (Pipe laying with restoration of access within 3 days for example) This can be managed with effective communication and measures to mitigate this should be set out in the REGDP</p> <ul style="list-style-type: none"> ▪ Contractors will be responsible for the arrangement and payment of land rent, restoration of land and compensation for non-land assets and lost income. ▪ Temporary impacts due to construction will be monitored and reported as part of monitoring of the Environment Management Plan. 				
15		Support to Vulnerable HHs	Vulnerable households, as per established criteria from ADB SPS (2009)	<p>All Vulnerable households will be provided the following:</p> <ul style="list-style-type: none"> - Skills training and access to income restoration activities to reach minimum national poverty standards - Priority in any employment opportunities <p>Vulnerable households classified as economically vulnerable (poor or below the poverty line) or single headed households that lack manpower (high dependency ratio) will receive an assistance allowance of 1 month x \$46.37 per person in AH.</p>

No	Type Of Loss	Application	Definition Of Entitled Person	Entitlement Policy
				Vulnerable HHs that are also severely affected will receive 3 months x 46.37 per person in AH.

A. Unit Costs of Affected Assets

103. The compensation unit rate covers the amount in cash or in-kind, including transactions costs and taxes, needed to replace an asset and is the value determined as compensation for:

- (i) Agricultural land and fishponds based on market prices that reflect recent land sales prior to the commencement of the Project or displacement, and in the absence of such recent sales, based on productive value;
- (ii) Construction or residential land based on market prices that reflect recent land sales prior to the commencement of the Project or displacement, and in the absence of such recent land sales, based on similar location attributes;
- (iii) Houses and other related structures based on current market prices of materials and labor without depreciation nor deductions for salvaged building materials;
- (iv) Annual crops equivalent to the highest production of crop over last three years multiplied by the current market value of crops;
- (v) Perennial crops and trees based on current market value per the type, age, diameter at breast height and productive capacity; and
- (vi) Other assets (i.e., cultural, aesthetic) based on current market value for repairing and/or replacing assets or the cost of mitigating measures.

104. The rates used in this Updated REGDP are calculated from the government unit rates from 2022 and were verified by the Department of Agriculture and the Building Department.

105. No physical and economic displacement will occur until compensation at full replacement cost and other entitlements due to APs are paid to them in accordance with this Updated REGDP.

VIII. MITIGATIVE MEASURES

A. Compensation Arrangements

106. Mitigation of the impacts will be through cash compensation, allowances for vulnerable households and monitoring to ensure return to pre-project conditions and affected households are brought to minimum national poverty standards.

107. The contractor will be responsible for any rental arrangements for storage of materials or for any other use of private land.

108. The project does not require relocation therefore no special relocation strategies are required.

109. Support for the vulnerable household will be provided in the form of cash assistance.

B. Gender Arrangements

110. The project has prepared a GAP to cover all three project sites.

111. All members of AHs regardless of ethnicity or gender are equally eligible to apply and, depending on their qualifications, be prioritized for employment by the contractor(s) for civil works for the Project. Women will be equally invited as unskilled workers during construction

112. Women will be invited for consultation meetings which will consider their availability and performance for income-generation activities related to their traditional gender roles. Women will have equal decision-making responsibility alongside men when giving their opinions and views concerning subproject design, and other project-related activities that will require their active involvement.

113. Women's participation during project implementation will be closely monitored through the design of the Project Performance Monitoring System (PPMS). All databases and monitoring indicators for land acquisition, compensation and resettlement activities will disaggregate data and other information by sex and ethnicity. Please see the project GESIAP for further details.

IX. RESETTLEMENT COSTS

114. The following sections set out the compensation and assistance the project will provide the AHs/APs for their losses.

A. Source of Funds for Resettlement

115. The government will be responsible for providing the budget for land acquisition, allowances and compensation costs.

B. Implementation, Administration and Contingency Costs

116. Remain as in the original REGDP.

C. Estimated Cost of Resettlement

117. The estimated total cost of resettlement for the subproject, including a 10% contingency, is calculated at **\$41,255.50**. USD

Table 15 - Resettlement Budget

Resettlement Budget Items		Same
1	Detailed Measurement Survey (DMS), Assisted by the Land & Property Department, National Building Department and the Ministry of Agriculture & Fisheries	
A	Affected Households	11 households
B	Affected Land (Used)	9 (12,762m ²)
C	Affected Structure (Fence)	2 (110m)
D	Affected Trees, Plants & Crops	790
2	Replacement Cost Estimation (Government)	
A	Land cost (Natl. Land & Property Dept.)	-
B	Structure cost (Natl. Building Department)	\$ 220.00
C	Trees, Plants & Crops cost (MoAF)	\$ 11,761.00
4	Income loss (IR requirements)	
A	Income loss of currently producing productive land (2 years yield per m ²)	\$ 25,524.00
	Subtotal = Replacement costs estimation (A+B+C)	\$ 37,505.00
5	Contingency 10%	\$ 32,750.50
	Total Budget	\$ 41,255.50

X. Schedule of Updated REGDP Preparation and Implementation

Table 16 - Implementation Schedule

Activities	Schedule
Verification of DMS from relevant government departments	September 2023
SESAH verification	September 2023
Submission by PMU of the updated REGDP to ADB	November 2023
ADB concurrence to Updated REGDP	November 2023
Posting of the draft Updated REGDP in relevant government offices and on the ADB website	November 2023
Individual AH meetings to disclose project impacts, entitlements, and develop compensation agreements	November 2023
Payment of compensation and allowances	March 2024
ADB to issue letter of no objection once compensation complete.	April 2024
Start of civil works	Q3 of 2024
Start of internal monitoring (with quarterly progress reports)	Q3 of 2024

XI. INSTITUTIONAL ARRANGEMENTS

118. This remains as the original REGDP. Full details are contained in the PAM.

XII. MONITORING AND EVALUATION

A. Internal Monitoring

119. The PMU will provide an update on social safeguards (resettlement and indigenous peoples/ethnic groups) compliance in the quarterly progress reports. PMU will submit the semi-annual social safeguards monitoring reports every six month of each year. The report will include information on key monitoring indicators, and include and assessment against (i) compliance with the projects Updated REGDPs. (ii) the availability of personnel, material, and financial resources; and (iii) identification of any problem and the need for remedial actions to correct any problems that arise.

120. Semi-annual social safeguards monitoring reports for January-June will be submitted to ADB latest 15 July, and for July-December on 15 January of the following year.

121. Internal monitoring and evaluation will assess the implementation of the Updated REGDP according to the following criteria:

- (i) Assessing if mitigation measures and compensation are sufficient.
- (ii) Identifying methods of responding expeditiously to mitigate problems.
- (iii) Smooth transition between LAC activities and civil works.

- (iv) The grievance redress mechanism is functioning.
- (v) Safeguard contractual obligations of the civil works contractor are complied with.
- (vi) Provisions of the loan covenant are met.

B. References

Fitzpatrick. D, McWilliam. A and Barnes. S, (2008) , **Policy Notes on Customary Land in Timor-Leste**. Policy notes form part of an Australian Research Council project - *Waiting for Law: Land, Custom and Legal Regulation in Timor Leste*.

Government of Timor-Leste. 2011. Timor-Leste Strategic Development Plan (2011-2030). Dili.

Palmer, L, Demetrio do Amaral de Carvalho, (2008) Nation building and resource management: The politics of 'nature' in Timor Leste, *Geoforum*, Volume 39, Issue 3,

Palmer, L. 2015 **Water Politics and Spiritual Ecology: Custom, environmental governance and development**, Routledge, London and New York.

Palmer, L. 2015 *Water Politics and Spiritual Ecology: Custom, environmental governance and development*, Routledge, London and New York. 1 Chapter Seven: Independence and the (re)negotiation of customary relations

Palmer, L. Date unknown. *Water Resources Booklet for Communities*.

Conference Papers

Grenfell, Damian, Walsh, Mayra, Soares, Januario, Anselmie, Sofie, Sloman, Annie, Stead, Victoria and Trembath, Anna 2010, *Nation-building across the urban and rural in Timor-Leste* : conference report, Melbourne, Vic., 8-10 July 2009, Melbourne, Vic., RMIT University.

RMIT University (2010) , *Nation-building across the Urban and Rural in Timor-Leste CONFERENCE REPORT*

Development Alternatives in Timor-Leste Recasting Modes of Local Engagement Sam Carroll-Bell*
Research Coordinator, Centre for Global Research, rmit University, Melbourne, Australia

Ambivalent 'Indigeneities' in an Independent Timor-Leste: between the customary and national governance of resources Lisa Palmer and Andrew McWilliam University of Melbourne and Western Sydney University

Appendix 1- Photographs of Key Locations



Plate 1- Location of Merbuti Spring



Plate 2- Merbuti River and the existing Intake structure, BPT and pipelines



Plate 3- Erluli 1 Spring with existing Intake structure, BPT and pipelines



Plate 4- Erluli 2 spring with intake structure



Plate 5- Darelau Spring with existing Intake structure and BPT



Plate 6 - Location of Borehole 1 along the road corridor



Plate 7-Location of Borehole 2 within the perimeter of a government training institute



Plate 8-Location of Borehole 3 along the road corridor



Plate 9- Location of Borehole 5 within the perimeter of a government training institute



Plate 10- Map showing transmission pipes following road corridor



Plate 11- Map showing the location of Merbuti Tank



Plate 12- Location of Merbuti Tank.



Plate 13- Location of Letefoho Central Tank



Plate 14- Location of Babulo tank

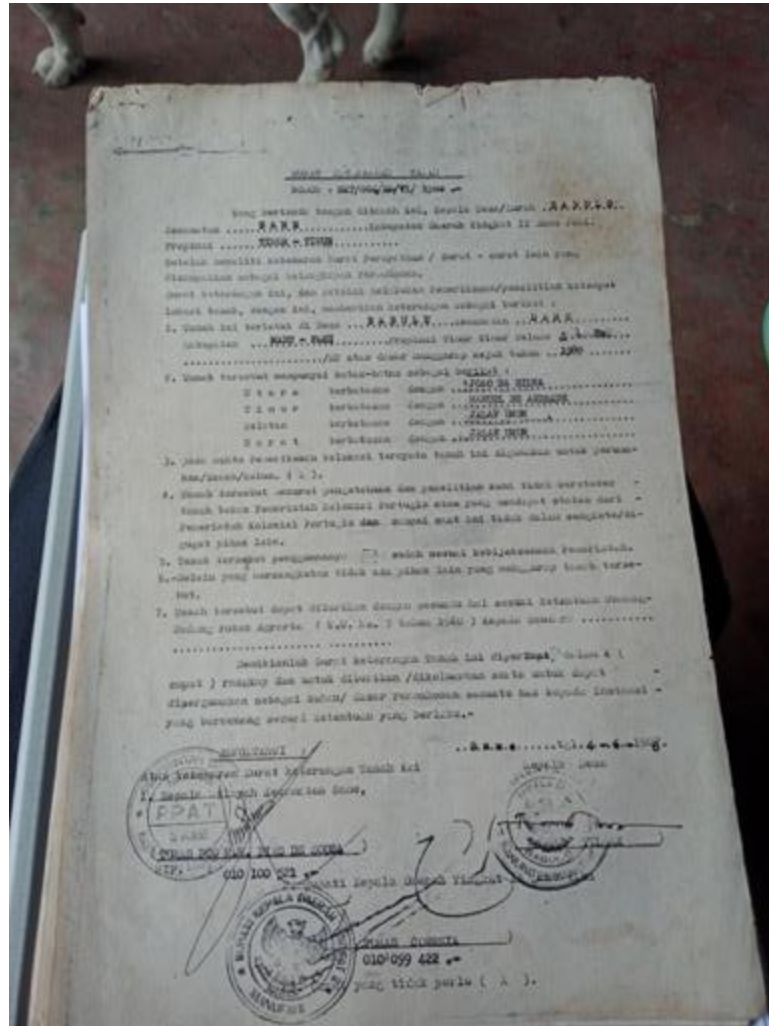


Plate 15- Indonesian Era proof of ownership - Babulo Tank.



Plate 16- Posto Tower Tank within government compound



Plate 17- Location of Manico Tank. Used by 2AHs



Plate 18- Location of Holarua Tank.



Plate 19- Location of the Letefoho North Tank, abandoned government building that requires demolition prior to construction of the tank.



Plate 20- Location of the FSTP.



Plate 21- Location of the proposed Public Toilet in a market place in Suco Letefoho

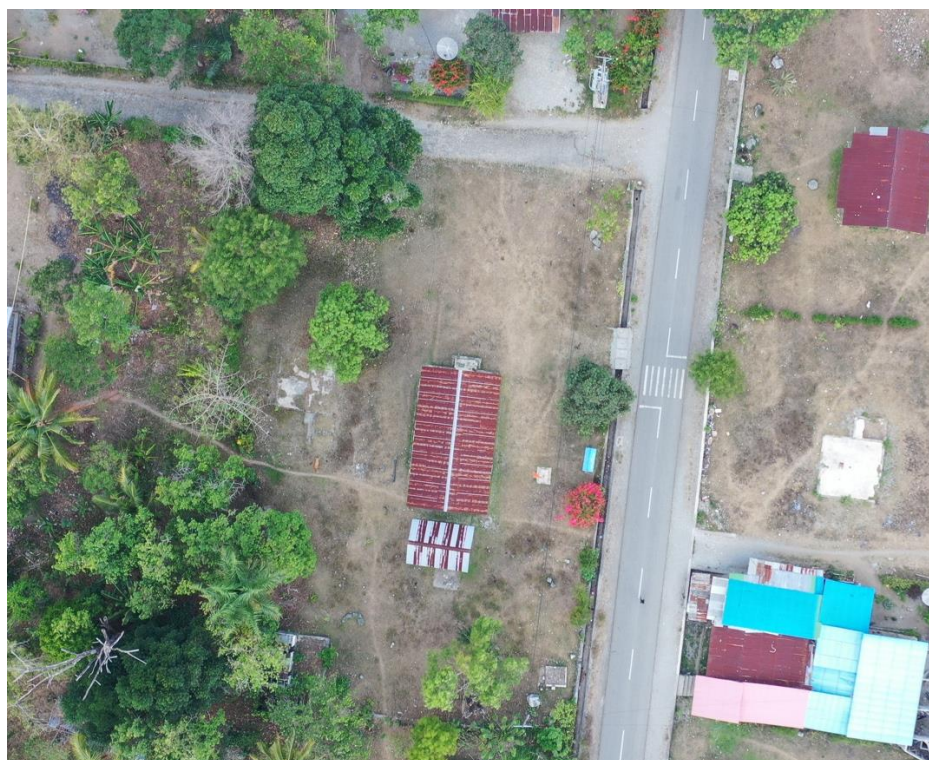


Plate 22- Location of the proposed Public Toilet in Suco Letefoho Center



Plate 23 Location of the proposed location of a Public Toilet in Suco Holarua Center



Plate 24- Location of the proposed location of a Public Toilet in Suco Babulo Center

Appendix 2- Photos of Affected Households



Duarte Martins/Filomena Araujo



Marcelo da Costa/Monaquita da Costa



Cristovao Arif dos Santos



Filomena Sarmento/Angela Marici Salo



Esrom Luisinho da CM Sarmento



Hetty Kediaman / Nia Octavia



Siana Cardoso Felgas



Joni Martins



Aluizio da Costa



Antonio dos Reis



Idelfonso Cardoso



Amandio da Costa

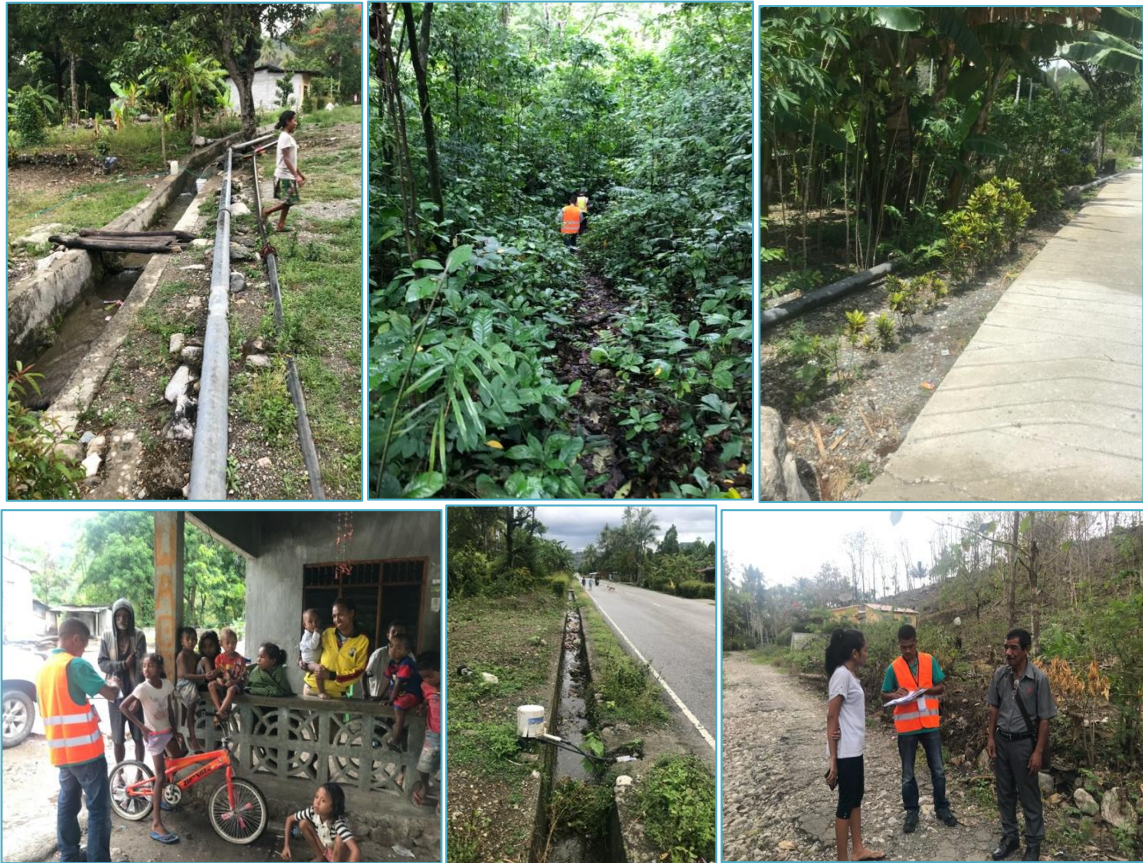


Plate 25- Transect walk photo documentation

Appendix 3- Notice of Cut-Off Date

	República Democrática de Timor-Leste	 Ministério das Obras Públicas
Ref: <u>336</u>/C50605/DGAS/XIV/2020		Date :1 December 2020
To: Mr. Domingos Soares Director of SMASA Manufahi Same		
CUT-OFF NOTICE		
In relation to the		
Water Supply and Sanitation Investment Project in Same		
CUT-OFF DATE FOR PROPOSED PROJECT : 3 DECEMBER, 2020		
<p>This notice is to inform the intention to develop a water supply and sanitation project in this area. This will be a joint project between Directorate General for Water and Sanitation (DGAS) and the Asian Development Bank (ADB).</p> <p>While the design is not yet finalized, surveys are ongoing and in this phase of the project small parcels of land have been identified that may be required for the project. Although this is not final at this time, DGAS has issued this formal notice on this day 3 December, 2020.</p> <p>Pursuant to the policies required by the ADB, the status of affected properties, inclusive of all structures (private and public/ physical and economic), crops and trees on or before the cut-off date, is to be inventoried and documented in accordance with national guidelines for proper compensation. All improvements or enhancements made after the cut-off date are not eligible for compensation.</p> <p>Further consultations, information regarding compensation and project benefits will be disclosed during public consultations once project design is complete.</p>		
Signed by	:	 Gustavo da Cruz Director General
<p>DIREÇÃO GERAL DE ÁGUA E SANEAMENTO(DGAS) Gabinete do Director Geral Avenida 20 de Maio – Calcoã, Díli Caixa Postal No. 194. Telp. 3311539</p>		

Appendix 4- TL laws & ADB's SPS (2009) Gap Analysis

Issues	ADB's SPS (2009)	Timor-Leste Laws on Land Acquisition and Resettlement	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
Objective	Avoid involuntary land acquisition resettlement wherever possible. Minimize involuntary resettlement by exploring protect and design alternatives.	There is no explicit reference to the need for avoidance or minimizing of resettlement impacts.	Timor-Leste Laws do not have the provision of avoiding or minimizing the involuntary resettlement impacts	The Resettlement Plan includes measures to avoid or minimize land acquisition and resettlement impacts of the Project.
Project screening	Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.	<ul style="list-style-type: none"> • Articles 19 and 21 of Expropriation Law call for conducting a cadastral survey, social impact assessment and resettlement plan where land being expropriated involves residential households. • The Expropriation Law includes provisions for public consultation, which provides for early screening of the project, as well as public hearings which include publicizing the proposed public hearings in the media. 	There are no specific requirements for a census or cut-off date for entitlements under the Timor-Leste Laws.	The Project impacts will be identified based on early screening, survey/census, cut-off date, and assessment of impacts.
Consultation	Carry out meaningful consultations with APs, host communities, and concerned NGOs. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in	The Expropriation Law includes provisions of the public hearing, including requirements for publicity about the proposed public hearings in the Official Journal and in the media. A report of the consultation is to	<p>Consultations are only required at the planning stage.</p> <p>There are no specific provisions on preparing and implementing resettlement plans based on meaningful consultations with</p>	Consultations are conducted on an ongoing basis with stakeholders including DPs. Development of mitigation measures will take into consideration the needs and views of stakeholders and those

Issues	ADB's SPS (2009)	Timor-Leste Laws on Land Acquisition and Resettlement	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
	<p>planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations.</p>	<p>be made, including a description of the public hearings. The Expropriation Law provides for information to be provided to DPs before expropriation occurs. Once the report on the public consultation results is published, a social impact study and property survey of DPs is carried out.</p>	<p>DPs, including the poor, landless, elderly, women and other vulnerable groups and no requirements of public consultation and public engagement during implementation under the Timor-Leste Laws.</p>	<p>affected.</p>
<p>DPs without titles to land or any recognizable legal rights to land</p>	<p>Ensure that DPs without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.</p>	<p>Decree No. 06/2011 on compensation for resettlement authorizes the payments of compensation to unlawful occupants of state property to resettle elsewhere.</p>	<p>According to the Timor-Leste Laws, payment of compensation to unlawful occupants of state property is not mandatory.</p>	<p>DPs without legal or recognizable legal claims to land acquired, will be equally entitled to participate in consultations and benefit schemes and be compensated for their affected non-land assets such as dwellings and structures. However, the eligibility of the DPs without titles to land will be defined by a cut-off date. Any informal settlers who encroach on the project area after the declaration of the cut-off date are not eligible for any compensation.</p>
<p>Compensation at full replacement</p>	<p>The calculation of full replacement cost will be based</p>	<p>The Expropriation Law stipulates requisitioning and</p>	<p>There is no explicit guidance provided on how to determine</p>	<p>An independent and qualified replacement cost appraiser will</p>

Issues	ADB's SPS (2009)	Timor-Leste Laws on Land Acquisition and Resettlement	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
cost	on the following; elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Depreciation of structures and assets should not be taken into account	expropriation of property for public purposes shall only take place following fair compensation in accordance with the law. The Expropriation Law requires that land expropriation should follow principles of justice and equality on account of ensuring that expropriation must ensure that the standard of living of DPs is equal to or higher than the one prior to compensation. The Expropriation Law is also required to guarantee fair compensation based on market value. The NDLPSC has the mandate and responsibility to assess the value of land and related assets.	fair compensation and/or replacement costs and no requirement for third party validation to appraise the replacement cost of affected land and other assets.	be engaged by the PMU to assist the NDLPSC in appraising the replacement cost of affected land and other assets.
Compensation for loss of income	The loss of income or livelihood sources will be compensated promptly at full replacement cost.	Legal provisions are deficient to recognize entitlements for loss of incomes and means of livelihood due to land acquisition	There is no specific provision on entitlements for loss of income and livelihoods under the Timor-Leste Laws.	Households whose income or livelihood sources will be affected by the Project are entitled to compensation for income loss. Affected business regardless of status of business registration will be compensated for the lost net income from the affected business.
Assistance for	In the case of physically	The Expropriation Law allows	Timor-Leste Laws do not	All displaced persons will be

Issues	ADB's SPS (2009)	Timor-Leste Laws on Land Acquisition and Resettlement	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
physically displaced households	displaced persons, the borrower/client will provide (i) relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services as required; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) opportunities to derive appropriate development benefits from the project.	compensation for lost assets.	provide for any specific assistance including transitional support and development assistance to DPs other than offering compensation for lost assets.	entitled to relocation assistance such as transportation assistance, transitional assistance and other resettlement measures as necessary and eligible to participate in the Income Restoration Program of the Project.
Assistance for Vulnerable People	Improve the standard of living of displaced persons and other vulnerable groups, including women, to at least national minimum standards, and assist them with legal affordable land, adequate housing, and appropriate income sources.	Article 10 of the Expropriation Law obliges the government to take the necessary measures to ensure the adequate information, consultation and participation of vulnerable groups, and promote the right to equality and non-discrimination, but without elaboration on what measures required to reach these outcomes.	Timor-Leste laws do not prescribe specific measures for improvement of living standards to national minimum standards, nor for restoration of livelihoods, or access to income generating sources, and there are no specific measures to be taken for vulnerable people.	Vulnerable affected households are eligible to participate in the Income Restoration Program of the Project.
Income	Improve, or at least restore, the		The Timor-Leste Laws do not	Severely affected households

Issues	ADB's SPS (2009)	Timor-Leste Laws on Land Acquisition and Resettlement	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
Restoration Program	livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.		elaborate the option and implementation of assistance and livelihood restoration for the affected households.	who lose 10% or more of total productive land and assets and/or have to relocate and vulnerable affected households are eligible to participate in the Income Restoration Program of the Project.
Compensation payment	All compensation and resettlement entitlements must be provided before any displacement or commencement of works.	Article 41 of the Expropriation Law requires that (i) takeover of expropriated land cannot occur until: a) public notice of expropriation has occurred; b) list of assets has been drawn up; c) resettlement plan has been implemented; d) replacement land as agreed by DPs has been provided free of charge; e) Fair compensation to DPs has been deposited with a banking institution; (ii) DPs are granted a reasonable period of	There is no specific mention of works in the Expropriation Law but possession of expropriated land by the Government not permitted until Resettlement Plan and other fair compensation have been implemented.	Civil works contracts will not be awarded for a specific component or geographic area until (i) compensation and assistance have been paid in full to the affected households and communities; (ii) relocation has been completed and the Income Restoration Program for the severely affected households and vulnerable affected households is in-place; and (iii) the area is free from any encumbrances.

Issues	ADB's SPS (2009)	Timor-Leste Laws on Land Acquisition and Resettlement	Gaps between ADB's SPS (2009) and Timor-Leste Laws	Gap Filling Measures
		time to vacate expropriated property, not to exceed ninety days.		
Grievance redress mechanism (GRM)	Establish a GRM to receive and facilitate resolution of the DPs' concerns and grievances regarding the project's environmental performance.	The Expropriation Law suggests disputes over expropriation process to be handled through normal administrative and court processes.	Under the Timor-Leste Laws, there is no specific requirement of a project-level GRM to be established, including roles and responsibilities and documentation of grievances.	A project level GRM will be established in consultation with the affected households and communities to resolve complaints regarding land acquisition, compensation, assistance and resettlement of the Project.
Monitoring	Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.	As regulated by the Laws, NDLPSC and project proponents have the responsibility to monitor land expropriation processes.	There is no provision on external monitoring of resettlement implementation and post-implementation evaluation to assess whether the objectives of the Resettlement Plan have been achieved under Timor-Leste Laws.	The PMU will undertake internal monitoring on land acquisition and resettlement. Monitoring reports will be shared with relevant stakeholders and uploaded on the ADB and EDTL's websites for disclosure.
Resettlement Plan Preparation	Prepare a Resettlement Plan elaborating on displaced persons entitlements, income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget and time-bound implementation plan.	Article 21 of the Expropriation Law calls for a social impact study and resettlement plan to be developed to mitigate adverse effects and to compensate for the losses due to expropriation, based on social impact assessment and consultations with DPs.	There are no specific details of how requirements of the plan are to be developed and carried out, including institutional arrangements or time-bound implementation plans under Timor-Leste Laws.	A Resettlement Plan will be prepared if there is land acquisition and resettlement by the Project covering displaced persons entitlements, income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget

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

Appendix 5- List of the affected households with the compensation breakdown

Tag number	Name of AHH head	Structure Cost	Trees, Plants & Crops Cost	Physical Replacement Cost	Production yield loss (2 Years)	Non-physical Replacement Cost	Total Replacement Cost
S1	Filomena de Araujo						
S2	Amandio da Costa						
S3	Cristovao Arif dos Santos						
S4	Marcelo da Costa						
S5	Siana Cardoso Felgas						
S6	Esrom Luisinho D. C. M. Sarmiento						
S7	Government Property						
S8	Nia Octavia da Conceição						
S9	Idelfonso Cardoso						
S10	Joni Martins						
S11	Aluizio da Costa						
S12	Antonio dos Reis						
S13	Government Property						
		\$ 220.00	\$ 11,761.00	\$ 11,981.00	\$ 25,524.00	\$ 25,524.00	\$ 37,505.00