

Land acquisition and rehabilitation aspects involved in major projects. (BPE O.M. No. 15/13/84-BPE(C) dated 3rd February, 1986)



CHAPTER XII MISCELLANEOUS

5. DPE/Guidelines/XII/5 **Land acquisition and rehabilitation aspects involved in major projects.**

Government have been seriously concerned about the lack of uniformity in approach in regard to acquisition of land for projects and alleviation of the difficulties faced by the dispossessed persons. After careful consideration of the matter in all its implications, Government have decided as follows:

2. Land acquisition:

- i. Where land acquisition becomes inevitable, the selection of site should be done by a Committee consisting, among others, also of a representative of the State Government. After deciding the district in which the project is to be located, the Committee should indicate to the district administration the extent of land required, as also the basic infrastructural requirements, for suggesting various alternative sites in the district. The site suggested by the district administration may be inspected by the Committee before a final selection is made. While selecting the site every effort should be made to avoid acquisition of valuable agricultural land especially wet land, forest land or ecologically fragile land. The acquisition of whole villages should also be avoided as far as possible. The primary aim should be to cause the least amount of disturbance to human habitations and their way of life. With a view to avoiding acquisition of land far in excess of the requirements, the project authorities in the detailed project report should clearly indicate the minimum quantum of land required for setting up the unit along with detailed justification, functional distribution etc. and such requirements should be supported with a map duly authenticated by the State Governments and their willingness to acquire land for the purpose. The requirement of land for expansion in the foreseeable time horizon should be taken into account, but at best such additional requirement could be only 25% of the land required in the initial project. The Public Investment Board, while considering the project, will examine the requirement of land and give its recommendations on the extent of land, which it considers to be justified for the project.
- ii. Many of the existing public undertakings have in their possession lands far in excess of their present requirements and also possible expansion in the near future. A survey may be undertaken by the administrative Ministries/Departments/ Undertakings to identify such surplus lands. This survey should be completed by Sept. 30, 1986. After identification, the surplus land could be transferred for the appropriate use by Central Government Departments, or for the establishment of new public sector undertakings, or for location of ancillary units. Such land could even be considered for transfer to the Sate Governments for setting up small industrial units or industrial estates. In appropriate cases, the surplus land could be released for afforestation. Wherever feasible, construction of housing projects for workers would also be considered on surplus land. If small chunks of land are available, these could be utilized for promoting housing cooperatives of the employees of the public sector undertakings. The transfer of surplus land will, in all cases, have to be decided after

- taking into consideration the terms and conditions in the original deed of acquisition.
- iii. Government consider it desirable to set up a joint management agency for the planning and provision of common services and amenities to public sector enterprises contiguously located especially for items like townships, water supply, medical and educational facilities etc.. The feasibility of establishing services and facilities for the projects to be set up in the same area will be considered by the Department of Expenditure in consultation with the concerned ministries/departments and the Ministry of Environment and Forests and placed before the Public Investment Board for a decision.
 - iv. Before deciding on fresh acquisition of land, the concerned Industrial Infrastructure Development Corporations of the States should be consulted and the availability of acquired land with them ascertained. This will minimise the need for new acquisition with all its consequent problems.

3. Compensation:

The land acquisition authorities should streamline the procedure for payment of compensation in the light of the provisions of the recently amended Land Acquisition Act. It should be ensured that the compensation amount is disbursed to the real beneficiaries within a reasonable time. The Department of Rural Development will separately undertake case studies on the procedure being followed in regard to land acquisition, payment of compensation to affected persons, the time taken to complete the formalities etc. and suggest measures for further improvement in the system. It will be the responsibility of the concerned State Governments to remove any encroachments noticed on land notified under the Land Acquisition Act.

4. Rehabilitation:

- i. Each Land Acquisition Unit will have a small Rehabilitation Cell. This Cell will identify the persons who are to be treated as dispossessed persons following the acquisition of land and forward a list of all such persons to the project authorities. The cost of running this cell will be met by the project authorities, for a limited period (say 2 or 3 years) as may be agreed to between the Project authorities and the State Governments.
- ii. Rehabilitation assistance will be limited to those whose land or homesteads are acquired provided they are themselves cultivating those lands or residing in the homesteads. Absentee landlords will not be entitled to any rehabilitation assistance.
- iii. Persons whose land holdings have been completely acquired will be given priority in rehabilitation assistance as compared to others whose land has been only partially acquired. Where homesteads have been acquired, alternative house sites should be provided to the displaced persons. These sites should be provided with infrastructural amenities like roads, water supply, sanitation, educational and medical facilities etc. All expenditure thereon will be a charge on the project.
- iv. The project authorities should be directed to examine the list of awardee families eligible for rehabilitation assistance received from the Rehabilitation Cell with reference to their educational attainments and arrange for imparting to them suitable education and training to equip them to be considered for employment in the project, subject to availability of vacancies. Such education and training should be imparted through the existing and available training institutions of the State and the Central Governments. The project authorities may meet the cost of training of the persons who are selected from among the evictee families. If suitable disciplines or faculties required for the needs of the public sector undertakings are not available with the existing training institutions, the project authorities should undertake to fund and start such training courses which will equip candidates for employment in the public sector undertakings. Such training given at the cost of public sector undertakings should not be presumed to be a commitment for ultimate employment in the undertaking concerned. The main idea is to enable some members of the evictee families to qualify themselves for employment and compete for the same along with the others.
- v. In the context of the urgent necessity of public sector enterprises operating at commercially

viable levels and generating adequate internal resources, over-manning has to be guarded against. Any understanding, formal or informal, in regard to offer of employment to one member of every dispossessed family in the project will stand withdrawn. However, with a view to encouraging the dispossessed families taking to useful avocations like poultry farming, animal husbandry etc. the project authorities will assist the concerned State Governments in organizing and financing such activities. The basic responsibility of initiating such schemes will be that of the State Governments.

- vi. The progress of rehabilitation of the dispossessed families will be monitored by the Rehabilitation cells in the same manner as monitoring of the implementation of the project.
- vii. Where the dispossessed persons are tribals, the Ministry of Welfare and Ministry of Environment and Forests should also be associated with the preparation of their rehabilitation schemes.
- viii. The entire cost of rehabilitation covered in the preceding paragraphs should form part of the project cost. The amount which is required exclusively for rehabilitation purposes should form part of project cost and the financial calculations should take into account these costs while working out the economics of the project. If need be, the amount that is required for meeting the rehabilitation cost may be given by the Government either as grant or as equity depending upon the merits of each case.

5. The undersigned is directed to bring the foregoing decisions of Government which apply equally to public sector enterprises, departmental undertakings and directly executed works of the Central Government to the notice of all Ministries/Departments of the Government of India and to request that suitable instructions may be issued to all the offices/enterprises under their control to give effect to these decisions.

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