

Resettlement Planning Document

Short Resettlement Plan for Duhabi Water Supply and Sanitation Sub-project
Stage: Draft for Consultation
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Nepal: Second Small Towns Water Supply and Sanitation Sector Project

Prepared by Department of Water Supply and Sewerage, Ministry of Planning and Public Works, Government of Nepal

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ABBREVIATIONS

ADB	–	Asian Development Bank
AP	–	affected persons
BPL	–	below poverty level
CBO	–	Community Based Organizations
CDC	–	Compensation Determination Committee
CDO	–	Chief District Officer
CFC	–	Compensation Fixation Committee
CPR	–	Community Property Resource
DDC	–	District Development Committee
DOR	–	Department of Roads
DSC	–	Design and Supervision Consultants
EA	–	Executing Agency
GON	–	Government of Nepal
GRC	–	Grievance Redress Committee
HA	–	Hectares
HH	–	Households
IA	–	Implementing Agency
IP	–	Indigenous People
IR	–	Involuntary Resettlement
LA	–	Land Acquisition
LA Act	–	Land Acquisition Act
MoPPW	–	Ministry of Physical Planning and Works
NGO	–	Non-Government Organizations
NRs	–	Nepalese Rupees
PD	–	Project Director
PH	–	Physically Handicapped
PIU	–	Project Implementation Unit
PLI	–	Poverty Level Income
PM	–	Project Manager
PPTA	–	Project Preparatory Technical Assistance
PSA	–	Poverty and Social Assessment
RP	–	Resettlement Plan
R&R	–	Resettlement and Rehabilitation
TA	–	Technical Assistance
ToR	–	Terms of Reference
WHH	–	Women Headed Households
VDC	–	Village Development Committee

WEIGHTS AND MEASURES

sq.m	–	square meter
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GLOSSARY OF TERMS

Land Acquisition means the process whereby land and properties are acquired for the purpose of the project construction.

Baseline Socio-economic Sample Survey The purpose of the baseline socioeconomic sample survey is to establish monitoring and evaluation parameters, it will be used as a benchmark for monitoring the socio-economic status of APs. The survey will cover 10% of affected people and 20% of seriously affected people. The survey will also collect gender-disaggregated data to address gender issues in resettlement. The survey will carry out the following: (i) preparation of accurate maps of the sub-project area; and (ii) analysis of social structures and income resources of the population.

Census The purpose of the census is to register and document the status of potentially affected persons within the sub-project impact area. The census will cover 100% of APs. The census will provide a demographic overview of the population, and will cover people's assets and main sources of livelihood.

Compensation means payment in cash or in kind of the replacement value of the acquired property.

Land Acquisition and Compensation Fixation Committee (LACFC) means the committee established under the chair of Chief District Officer as per Land Acquisition Act 2034 for the determination of compensation rate and implementation of compensation taking into the consideration replacement value of the properties as guided by the resettlement plan and the use of community valuation methods.

Grievances Resolution Committee (GRC) means the committee established under each sub-project to resolve the local grievances.

Project Affected Person (AP) includes any people including encroachers/ squatters, households, or firms who, on account of changes that result from the project will have their (i) standard of living adversely affected; and/or (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.

Significantly Project Affected Person (SAP) means those APs who lose 10 percent or more of their total productive assets.

Replacement Cost means the method of valuing assets to replace the loss at market value before the project or dispossession, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration, and titling costs.

Resettlement means all the measures taken to mitigate all or any adverse impacts of the project on the APs property and/or livelihoods including compensation, relocation (where relevant), and rehabilitation.

Relocation means the physical relocation of APs from their pre-project place of residence.

Rehabilitation means the measures provided under the resettlement plan other than payment of the compensation of acquired property.

Vulnerable Groups: Social categories whose livelihoods may be particularly vulnerable to disturbances created by the project. This means any people who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement including: female-headed households, marginalized ethnic groups (Dalits, Freed Kamaiya), Muslims/religious minorities, elderly, disabled, indigenous people (margilized IPs), Ultra-Poor (below poverty line—NRs 3,000 HH/month (source: Nepal Living Standards Survey 2003/2004)), landless or households losing 100% of total landholdings (particularly those totally dependent on agriculture for livelihood), as well as remote villages.

EXECUTIVE SUMMARY

1. The proposed subproject aims to improve water and sanitation services in Duhabi as part of the Nepal Second Small Towns Water Supply and Sanitation Sector Project (STWSSSP II). The resettlement impact is minimal and limited to 25 people of 2 households (a plot owner and share cropper). As to the ADB categorization, this subproject is Category B requiring a Short Resettlement Plan (RP), as provided herein. A resettlement framework (RF) was prepared as part of the Project to guide the preparation of RPs for future subprojects having involuntary resettlement impacts. This Short RP was prepared to be consistent with the RF, ADB and Government of Nepal (GoN) policies.

2. Three Village Development Committees (VDCs) are the focus of this subproject (Duhabi, Bhalua, and Sonapur). For the proposed water component, the existing Duhabi water supply system is proposed to be augmented for additional water supply and distribution network and extended to serve the additional areas of Bhaluwa and Sonapur. The augmentation work will require the addition of one tube well, on existing public land, to the three already existing and an underground water tank to balance the demand and supply in the system. A new single treatment plant will treat water for the whole service area. Additional main distribution pipelines are needed with additional sub-distribution networks for the two new areas. Altogether, four deep tube wells (three existing and one new proposed) will be the source of supply for the entire service areas of the three VDCs. An existing elevated reservoir, 20m above ground level, has a storage capacity of 450 cu.m. This is adequate for the present supply of water. An additional RCC reservoir of 900 cu.m. capacity has been proposed to be constructed at ground level. The existing distribution network of HDPE pipes needs partial replacement and additional parallel pipeline at places. In order to augment the distribution of water the distribution network has been designed.

3. For the sanitation component, it is proposed to provide a settled sewerage system and a reed bed treatment plant, located on private land, for the core area of Duhabi. The horizontal reed bed treatment plant will cover 1,800 sq.m. (4 cells, 450 sq.m. each), located on the right bank of the Budhi River near a local bridge. A sewer reticulation network comprising 7,360m of PVC pipes of 160 and 200mm diameters is proposed along with 50 shallow manholes and 20 interceptor tanks. It is proposed to provide for septic tank cleaning and disposal services. A vehicle mounted vacuum pump and a sludge drying bed is proposed for this purpose. The sludge drying bed will be on the site of the wastewater treatment plant.

4. A summary of the resettlement activity includes the following: The total land area to be acquired for the reed treatment plant and sludge drying bed totals 3,000 sq.m. located within one plot of legally owned agriculture land with no structures. The total size of the lot is 6,095 sqm (or 18 Katha) and is owned by a single person. The owner has allowed a sharecropper to cultivate his plot on an annual contract basis for the last 15 years. Therefore there will be a resettlement need on two households, the plot owner and the sharecropper.

5. Both the plot owner and members of the sharecropper household are engaged in other income-oriented activities. The plot owner is an out-migrant in USA, and the sharecropper is engaged in wage labour, livestock, and business. Income restoration measures for the sharecropper have been incorporated into the RP. Moreover during the construction stage the sharecropper household working members will be given preference over others in being engaged in activities suitable to their skills. In order to make the APs employable, the WUSC will identify the required skills for the construction activities prior to the commencement of the construction and provide the required training to them. The contract document for the project

shall include a provision for employment under the social requirements. Accordingly, the list of APs, will be provided to the contractor, for consideration in the project.

6. RP preparation was in accordance with GoN's Land Acquisition Act 2034 (1977) and the ADB Policy on Involuntary Resettlement (1995). It involved a process of impact assessment through land survey, socio-economic survey of affected people and public consultation with affected people and stakeholders in planning and developing mitigation measures to avoid, minimize and/or mitigate any adverse environmental and social impacts. It contains an implementation plan and budget, institutional arrangements for implementing the plan, and monitoring arrangements. This RP is prepared through due consultation with the affected people. Other stakeholders included members of the water user committee. The assessment of losses and land acquisition is based on the preliminary design. The RP will need to be updated based on the detailed engineering design.

7. For the benefit of the APs, the Nepali version of the draft Summary RP (and final RP) will be made to the sharecropper and plot owner, with a copy maintained by DWSS PMO, WSSDO, WUSC, VDC, and the Chief District Officer. A copy of the RP (draft and final) will be disclosed in ADB's and DWSS website. A Grievances Redress Committee (GRC) will also be set up under the project to address any grievances and objections resulting from the project.

8. WUSC will implement resettlement activities. A local Non Government Organization (NGO) will be hired by the WSSDO to monitor the smooth implementation of RP. NGOs will also be responsible for linking APs to relevant government programs related to social and economic rehabilitation. Internal monitoring will be the responsibility of DWSS and will start early during the project when the implementation of the RP starts and will continue until completion of the subproject. The external monitoring and evaluation will be carried out before the start of the construction and will be carried out intermittently as required. The resettlement cost estimate for this subproject includes eligible compensation for land and standing crops, assistance to vulnerable group, and training allowance.

I. INTRODUCTION

A. Overview

1. The Nepal Second Small Towns Water Supply and Sanitation Sector Project (STWSSSP II) envisages achieving sustainable urban development in 20 small towns through investments in water supply, sanitation, and solid waste management sectors. The investments will support the Government of Nepal implement their updated 15 year plan for small towns water supply and sanitation (2000-2015), and are expected to substantially improve health, economic and environmental living conditions of these areas.

9. The RP will have insignificant impacts and aims to mitigate the project impacts of the 2 affected households (25 affected people (AP)). The land required for the sub project includes both private and public ownership. The total private land area to be acquired totals 3,000 sq.m located within one plot of legally owned agriculture land with no structures. The total size of the lot is 6,095 sq.m (or 18 Katha) and is owned by a single person (Mr. Moti Shrestha). The owner has allowed a sharecropper (Mr. Habib Miya and his two brothers) to cultivate his plot on an annual contract basis for the last 15 years. Therefore there will be a resettlement need on two households, the plot owner and the sharecropper. This RP was prepared in due consultation with the affected households¹. The assessment of losses and land acquisition is based on the preliminary design. The RP will need to be updated based on the detailed engineering design and disclosed again to APs when the final RP is completed.

10. A resettlement framework (RF) was prepared as part of the Project to guide the preparation of RPs for future subprojects having involuntary resettlement impacts. This Short Resettlement Plan (RP) was prepared to be consistent with the RF, ADB and GoN policies.

B. Subproject Description

1. Water Supply Component

11. Three VDCs are the focus of this project (Duhabi, Bhalua, and Sonapur). The present water source of Duhabi VDC is ground water extracted from two deep tube wells. These deep wells supply piped untreated drinking water to households in part of the area and need repairs. A third tube well is under construction. The source of water supply for two other VDCs, Bhalua and Sonapur, are shallow hand pumps.

12. For the proposed sub-project, the existing Duhabi water supply system is proposed to be augmented for additional water supply and distribution network and extended to serve the additional areas of Bhaluwa and Sonapur. The augmentation work will require the addition of one tube well to the three already existing and an under-ground water tank to balance the demand and supply in the system. A new single treatment plant will treat water for the whole service area. Additional main distribution pipe lines are needed with additional sub-distribution networks for the two new areas. Altogether, four deep tube wells (three existing and one new proposed) will be the source of supply for entire service areas of three VDCs.

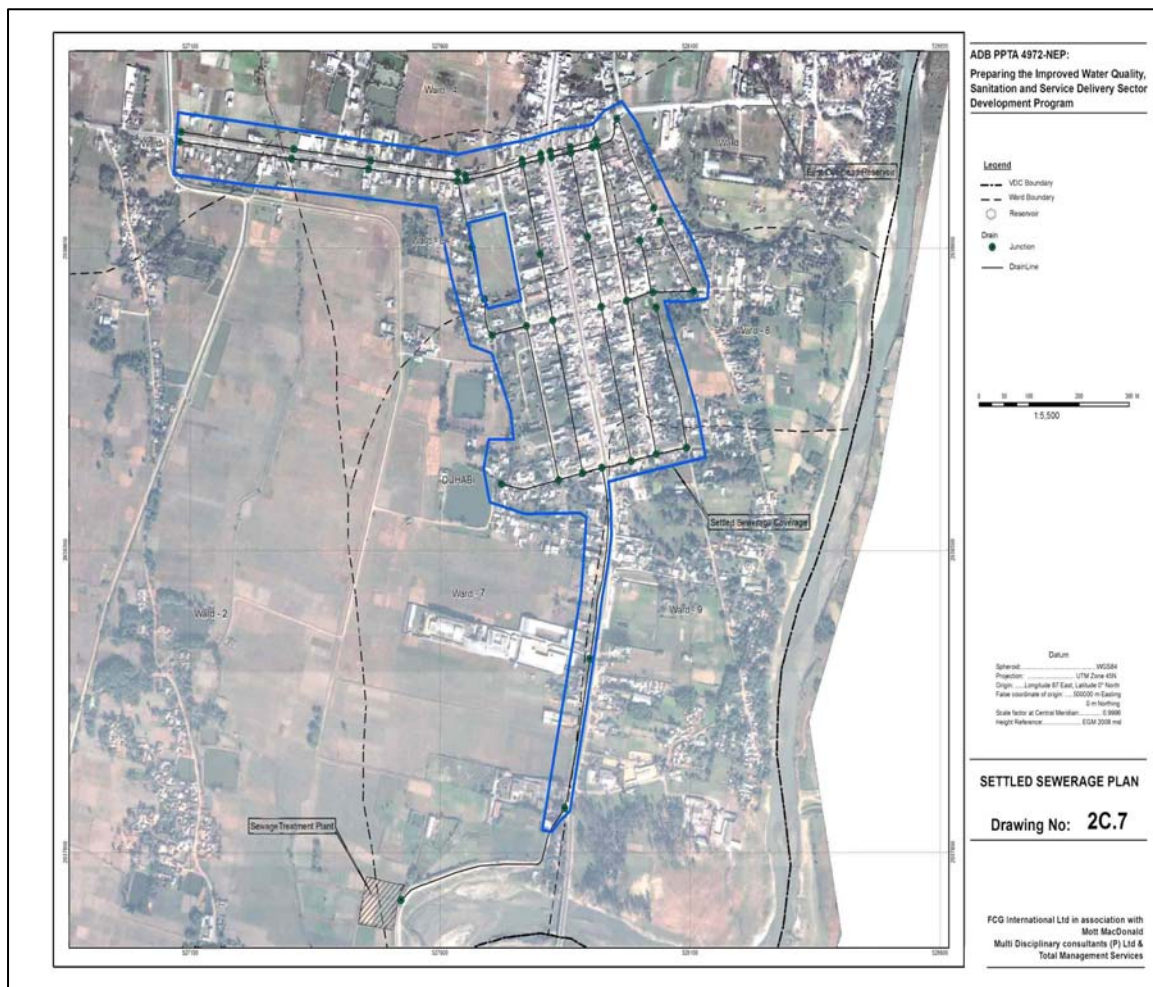
¹ The plot owner, however, is an out-migrant to the USA and was absent at the time of the survey. He will need to be contacted as soon as possible.

13. An existing elevated reservoir, 20m above ground level, has a storage capacity of 450 cu.m. This is adequate for the present supply of water. An additional RCC reservoir of 900 cu.m. capacity has been proposed to be constructed at ground level.

14. The existing distribution network of HDPE pipes needs partial replacement and additional parallel pipeline at places. In order to augment the distribution of water the distribution network has been designed.

2. Sewerage and Sanitation component

15. It is proposed to provide a settled sewerage system and a reed bed treatment plant for the core area of Duhabi. The horizontal reed bed treatment plant will cover 1,800 sq.m. (4 cells, 450 sq.m. each), located on the right bank of the Budhi River near a local bridge. A sewer reticulation network comprising 7,360m of PVC pipes of 160 and 200mm diameters is proposed along with 50 shallow manholes and 20 interceptor tanks. It is proposed to provide for septic tank cleaning and disposal services. A vehicle mounted vacuum pump and a sludge drying bed is proposed for this purpose. The sludge drying bed will be on the site of the wastewater treatment plant. The map below shows the Duhabi subproject service area.



C. Resettlement Category

16. The resettlement impact of the Duhabi sub-project is minimal and limited to 25² people of 2 households (the plot owner and the share cropper). As to the ADB categorization,³ this subproject is Category B requiring a Short Resettlement Plan, as provided herein.

D. RP Preparation

17. RP preparation involved a process of impact assessment through land survey, socio-economic survey of affected people and public consultation with affected people and stakeholders in planning and developing mitigation measures to avoid, minimize and/or mitigate any adverse environmental and social impacts. It contains an implementation plan and budget, institutional arrangements for implementing the plan, and monitoring arrangements.

18. This RP is prepared through due consultation with the affected people. Other stakeholders included members of the water user committee. The assessment of losses and land acquisition is based on the preliminary design. The RP will need to be updated based on the detailed engineering design.

E. Summary of Key Impacts

19. The land required for the sub project includes both private and public ownership. The total private land area to be acquired totals 3,000 sq.m located within one plot of legally owned agriculture land with no structures. The total size of the lot is 6,095 sqm (or 18 Katha) and is owned by a single person (Mr. Moti Shrestha). The owner has allowed a sharecropper (Mr. Habib Miya and his two brothers) to cultivate his plot on an annual contract basis for the last 15 years. Therefore there will be a resettlement need on two households, the plot owner and the sharecropper.

20. The plot owner was unavailable for consultation, however, interviews during field work indicated an estimated family size of five people (this will need to be confirmed when owner is contacted). The sharecropper family consisting of three brothers has a total household size of 20 persons. They reside on other land owned by them located elsewhere. Table 1 below summarizes the key resettlement impacts.

Table 1: Summary of Resettlement Impacts

Impact	Duhabi Sub-project
Impacts on Land	
Permanent Agricultural Land to be Acquired	3,000 sq.m (1 plot)
Affected Persons (APs)	
Households affected by loss of agricultural land (APs in bracket)	2 (25)
Loss of Livelihood	
Households losing agricultural income from farming their own land	1
Vulnerable Affected Households	

² The plot owner was not available during the survey, but based on consultation with the sharecropper, the plot owner family size is estimated to be 5 members. This needs to be verified.

³ Projects are assigned an involuntary resettlement category depending on the significance of the probable involuntary resettlement impacts. "Significant" means 200 or more people will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). Category A projects require a full resettlement plan. Category B projects include involuntary resettlement impacts that are not deemed significant and require a short resettlement plan.

Sharecropper is Muslim (APs in bracket)	1 (20)
Affected Structures	0
Affected Crops	
Sugarcane (productive period)	Yes (5-6 months)
Other Affected Assets	0
Affected Common Property Resources (trees)	0
Household Characteristics	
Family Size ^a	20
Household Monthly Income (NRs)	NRs 6500
Primary source of income ^b	Agricultural/other
^a The sharecropper (20 HH members), plot owner not available (estimated to be 5 members—needs to be verified as he was not available during consultation). ^b The APs depend on more than one source of income for their livelihood. Agriculture is the major livelihood source however they also engage in business and wage labour.	

21. The plot owner (Mr. Moti Shreshtha) was absent at the time of survey, as he resides overseas in the U.S. At soonest possible opportunity, he is required to be contacted and included in the revised RP and compensation arrangement. The AP must be consulted and notified of the project and his entitlements during detailed design stage.

II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

A. Land Acquisition Requirement

22. The key features of the sub-project investments in water supply are a deep tube well with a ground storage reservoir tank with capacity of 900 m³, a chlorination unit, and a distribution network with total length of 54 km. The site for the deep tube-well will be on existing public land. For other works, public lands of the existing Duhabi water supply system will be used. The distribution network will be constructed within the road ROW where no structures or temporary/mobile vendors are located and where sufficient space is available to accommodate pipe laying. The present density of development in these small town areas is low, and the RoW is clear of any encroachments. However, in case of disruption of access during construction, the contractor will provide assistance through provision of planks etc so that access to land can continue undisturbed. Moreover, as per the contract provisions, the contractor will be required to put back the road to its original condition after the pipe laying. Therefore the water supply system will result in no permanent or temporary resettlement impacts from the construction of proposed expansion and improvement.

23. The land proposed for the reed bed treatment plant and sludge drying bed at the right bank of the Budhi River (near a bridge) is private land that will have to be acquired for the subproject. A number of people including the Water User Committee members and the affected persons were met and consulted.

24. The total land area to be acquired for the reed treatment plant and sludge drying bed totals 3,000 sq.m. located within one plot of legally owned agriculture land with no structures. The total size of the lot is 6,095 sqm (or 18 Katha) and is owned by a single person (Mr. Moti Shreshtha). The owner has allowed a sharecropper (Mr. Habib Miya and his two brothers) to cultivate his plot on an annual contract basis for the last 15 years. Therefore there will be a resettlement need on two households, the plot owner and the sharecropper. Table 2 summarizes the land acquisition requirements.

25. The plot owner was unavailable for consultation, however, the sharecropper indicated an estimated family size of five people (this will need to be confirmed when owner is contacted). The sharecropper family consisting of three brothers has a total household size of 20 persons. Land and socio-economic survey, therefore, was carried out by involving the sharecropper of the land in absence of the plot owner, who is required to be contacted/consulted as soon as possible. As the property owner was absent, the ownership certificate of the plot was not accessible. This needs to be obtained and included in the updated RP during detailed design, however, according to information provided by the WUSC members and the sharecropper, the lands to be acquired for the wastewater treatment components is legally owned private agriculture land.

Table 2: Land Acquisition Requirement, Affected People and Impact Category

Location	Objective	Plot ownership	Land acquisition Required	Area to be acquired (sq.m.)	Number of plots and AHs	APs	Resettlement impact category
Duhabi existing water supply system site	Deep tube well, ground storage RCC reservoir of 900 cum capacity, chlorination unit, distribution network with total length of 54 km.	Public	No	None	None	None	"B" with "insignificant" resettlement impact requiring a short resettlement plan.
Right bank of Budhi River near the Bridge	Settled sewerage, sludge drying bed and horizontal reed bed treatment plant of 1800 sqm (4 cells, 450 sqm each). A sewer reticulation network comprising 7360m of PVC pipes of 160 & 200mm diameters along with 50 shallow manholes and 20 interceptor tanks.	Private	Yes	3,000	2	25	
Total		-	-	3,000	2	25 ^a	

^a Sharecropper (family size is 20), plot owner (5). Source: Design Engineer and Field Survey, 2008.

26. The legally owned private land plot (size: 6,095 sq.m. or 18 Katha) is used for agricultural purposes mainly for sugarcane production. The total amount of land acquisition required is 3,000 square meters. Total households to be affected are two, the plot owner and sharecropper. There is no registered tenant. According to the sharecropper, the household will continue to farm on the remaining land (3,095 sq.m) not acquired by the sub-project. There are no trees in the land to be acquired. The Project will not adversely affect any Common Property Resource (CPR). No house, temple, shrine, utility poles, irrigation canals, structures etc. will need dismantling, shifting or reconstruction as a result of sub-project activities.

27. The details of land requirement for the subproject are presented in the Table 3. This shows that the intensity of land loss is 49.2 % of total lands possessed.

Table 3: Inventory of Land Parcel to be Acquired in Duhabi Water Supply Project

S.N.	Map sheet no.	Parcel No.	Total Land Area of Affected Parcel (Sq. m.)	Area to be Acquired in sq.meter	% Loss
1	NA	NA	6095 (18 Katha)	3000	49.2

Source: Census Survey, 2008.

III. SOCIOECONOMIC INFORMATION/PROFILE

28. According to the information provided by the sharecropper, the total number of affected persons in sharecropper household is 20. The plot owner (Mr. Moti Shrestha) and his family migrated to the USA. The sharecropper is not properly aware of the current family size of plot owner. However, he estimates 5 members in the plot owner household. This will need to be verified. The sharecropper household is from non-indigenous Muslim community⁴, which qualifies them as a vulnerable group under the project. The plot owner household belongs to the advanced indigenous group Newar (non-vulnerable). Table 4 lists ethnic/caste groups of the APs.

Table 4: Ethnicity and Caste Groups of Affected Households

S.N	Ethnic and Caste Groups	Number of HHs
1.	Indigenous Household	1
1.1	Advanced IP Newar	1
2.	Non-Indigenous Household	1
2.1	Muslim Religious Group (vulnerable group)	1
	Total	2

29. Being out-migrant, the occupational and income background of the plot owner household is not known. This will need to be verified. The major occupation and income source of the sharecropper is agriculture, business, and wage labour (Table 5). The sharecropper informed that he has been cultivating the land to produce the sugarcane for 15 years on annual contract basis by paying Rs. 12,000 a year to the plot owner. The sugarcane harvest is a major source of livelihood for his family. He produces 600 quintal of sugarcane a year and earns about Rs. 72,000 per year (at Rs. 120 a quintal). After paying Rs. 12,000.00 to plot owner, his earnings

⁴ The PPTA reported that Muslims in Nepal are normally dealt with as a caste or ethnic group, although they are not. They live mostly on the fringes and in the slums of the bazaar or in rural areas. Although their leaders can acquire big wealth and become influential, this community is generally one of the most isolated and socially excluded from the rest of society, with more feudal internal relations, conservative attitudes, low literacy and high poverty. Their poverty levels can be compared to the Dalits and IPs. Family size is biggest in this community. Their strength is that they live together in densely habituated neighbourhoods and have good social cohesion. It is possible that part of the Muslims will not be able to participate from the project due to financial constraints. Extra effort must be paid to support this community with gender and social inclusion support, as well as health and hygiene behaviour change promotion.

per year from farming the land is about Rs. 60,000. The food sufficiency from the agro-products of his own land is 5 – 6 months. The sharecropper stated they reside elsewhere and own the land.

30. Among the 20 people in sharecropper household, 10 are economically active working in agriculture (5), business and daily wage labour (3), and skilled construction work (2). Annual per capita income of his households is at least Rs. 7,800, compared with the national per capita income Rs, 7,600. Sometimes they earn more from business and wage labour.

31. The respondent sharecropper has functional literacy. Seven other people in his family have school education. Gender status is low in the Muslim community and this is the case in the sharecropper household. The respondent noted that since the project will solve the scarcity of water and sanitary environment, it will contribute to improve the hardships of women. Table 5 below summarizes the household characteristics of the sharecropper.

Table 5: Household Socio-economic Characteristics of Sharecropper

Affected Household Name	Affect Type	HH size/gender			Age-group			Occupation/Income Source		Annual Income (NRs)	
		Total	M	F	0 - 15	16 - 65	65+	Main	Allied	Cash	Per Capita
Habib Miya	Share Cropper	20	11	9	8	10	2	Agriculture	Labor/Service & Business	379,050	18,952

Table 6: Income activities of economically active age-group of Sharecropper HH

S.N.	Income Activities	Gender		
		Total	Male	Female
1	Regular full time job in factory as factory worker	3	3	0
2	Agriculture labor	5	2	3
3	Skilled construction worker	2	2	0
	Total	10	7	3

IV. POLICY AND LEGAL FRAMEWORK

A. Government of Nepal Laws

32. The **Land Acquisition Act, 2034 (1977)** is the core legal document to guide tasks related to land acquisition and resettlement activities in Nepal. There is provision in Clause 3 of the Act to acquire land for any public purpose, subject to the award of compensation. According to Clause 4, institutions seeking land acquisition may also request GON to acquire the land under the regularity provisions subject to be compensated by such institutions' resources. Clause 27 of the Act provides for land acquisition through the mutual agreement with the plot owners, where the process of land acquisition as per Act is not required. The Act grants the plot owner the right to choose between a mutual agreement process, or the formal process for land acquisition (as described below). Where Clause 27 is enacted, and the plot owner is not satisfied with the compensation agreement offered, Clause 18 (sub-clause 2) states that the owner can file a complaint with the Ministry of Home.⁵

⁵ Under the Project, a Grievance Redress Committee (GRC) will be set up for each subproject to address any complaints regarding the land acquisition process, therefore offering the AP another venue to express grievances.

33. As per the regulatory provision, while acquiring land, GoN forms a Land Acquisition and Compensation Fixation Committee (LACFC) under the chairmanship of Chief District Officer (CDO) of the restrictive districts. The other members to be included in the Committee comprise of the Chief of Land Revenue Office (LRO), an Officer assigned by CDO, representative from District Development Committee (DDC), Concerned Project Manager, and VDC representative. The Project Chief functions as the Member Secretary of the Committee. In addition, it has become the practice to include representatives from the Affected Persons (APs). This practice of fixing compensation is known as Community Consensus Valuation (CCV). LACFC determines the amount of compensation considering the following factors: current price of land value, value of standing crop, houses, walls, sheds or other structures, loss incurred as a result of shifting residence or place of business, and consider relevant acts and periodic guidelines of GoN. According to Clause 6, if the land has to be acquired for institutions other than the local governance bodies and institutions fully owned by the government, the Committee has to consider the following in fixing the compensation amount: (i) Price of land prevailing at the time of notification of land acquisition; (ii) Price of standing crops and structures; and (iii) Loss incurred by the AP by being compelled to shift his or her residence or place of business in consequence of the acquisition of land.

34. As revealed in Clause 9 sub-section 3 of the Act, the duration of compensation days will be determined by LACFC. Clause 37 of the Act illustrates that the Committee may extend the period of additional three months, if compensation are not collected by those affected. After termination of extended three months period the amount will be deposited to the Government account.

35. The compensation to be provided for land acquisition should generally be in cash as per current market value. However, there is also a provision under Clause 14 to compensate land-for-land provided government land is available in the area. The Act also envisages the possibility of two separate rates of compensation, distinguishing between families who lose all their land and those who lose only some part of their landholdings. As stipulated in the Clause 10 there is provision for the affected households to take the crops, trees and plants from land and salvageable from the structures. Clause 39 indicates options to allow the affected households to take all salvageable assets without deduction of any costs from the affected households.

36. Any grievances and objections will be referred to the Grievances Redress Committee (GRC) as per Clause 11 of the Land Acquisition Act, 2034 (1977). The Act assigns the CDO as the sole responsibility to chair land acquisition activities and to address the grievances related to the RP implementation activities.

37. Clause 20 of the Act authorises the legal tenant of land to receive 25% of total compensation cost. The tenant is entitled 100% compensation for the structure built on the land with the permission of the land owners. Clause 68 (1) of the Forest Act 2049 states that the government may permit the use of forest land for projects under the national priority. According to the clause 68 (2), if any loss to persons or community is involved while permitting use of such land, it is required to compensate the loss.

38. The typical process of land acquisition is indicated in Table 7.

Table 7: Process for land acquisition as per Land Acquisition Act

S.No.	Steps outlined in the LAA
1	Sectoral agency (DWSS) decides to execute a development project at a certain location
2	Sectoral agency (DWSS) requests the Government to acquire land specifying objectives and committing payments of compensation and other expenses
3	GoN approves and orders the initiation process and LACFC is formed
4	Public notification is made at public places in the project area, VDC offices and to the affected households
5	Necessary preliminary survey including boundary demarcation, agricultural production valuation and social census of affected families takes place
6	Land Revenue Office report on the area and location of land to be acquired including likely compensation and amount of loss
7	The local officer (CDO) issues notices including purpose of acquisition and detail of land to be acquired
8	Land transactions are banned within the notified area
9	Owner can file complaints within 7 days through the local officer
10	Resolution of grievance within 15 days of complaint
11	Acquisition of land and payment of compensation

B. ADB Resettlement Policy

39. The three main elements of the ADB **Policy on Involuntary Resettlement** (1995) are (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. In addition, the absence of legal title to land should not be a bar to compensation. Vulnerable groups are entitled to special assistance.

V. ENTITLEMENTS

A. Eligibility

40. All APs who are identified in the project-impacted areas on the cut-off date will be entitled to compensation for their affected assets, and rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income-earning capacity and production levels. The cut-off date for titleholders will be the date of notification under the land acquisition act and for the non-titleholders will be the census date, i.e. December, 2008, which is the first impact survey (Census and Inventory Survey). People moving in the area where the lands are to be acquired in subproject area after the cut-off date will not be entitled to any kind of compensation or assistance as per provision made herein. They, however, will be given sufficient advance notice, to vacate premises/dismantle in the case of affected structures prior to project implementation.

B. Entitlements

41. For this project, the entitlements listed in Table or this subproject are derived from the Land Acquisition Act, 2034 (1977), the Land Reform Act 2021 (1964), and ADB Policy on Involuntary Resettlement (1995). Following detailed design, the detailed measurement survey (DMS) of AP's land and/or non-land assets and detailed census survey will be used for determining actual impacts, and replacement cost surveys (or asset valuation) will be carried out. This information will be used to inform the LACFC cost determination, or used to inform the negotiation of land value between the WUSC and plot owner. Where the replacement cost of the LACFC is lower than the market determined value, WUSC is required to pay the difference. In cases where plot owners directly negotiate compensation amounts with WUSC (as per the

LAA), then NGOs will verify the satisfaction of the owner with the final amounts. In cases of disputes such as where land records are not updated or where the APs are unable to produce the desired documents, then the compensation amount will be deposited with the CDO till the case is disposed.

Table 8: Entitlement Matrix						
	Type of Loss	Application	Entitled Person	Entitlement	Implementation Issues	Responsible Institutions
1	Loss of land	Permanent loss of land (partial)	Plot owner with legal title	<p>Land-for-land arrangements, if government land available, of equal productive capacity satisfactory to AP, or;</p> <p>Cash compensation equivalent to current market rate/replacement value including provision for all fees (documentation fee, etc.), taxes, and other charges as applicable under relevant laws.</p>	<p>As per the LAA., compensation for land determined through either (i) mutual agreement with plot owner, or (ii) the option to allow LACFC determination of compensation. To be determined by plot owner.</p> <p>If decided through mutual agreement, NGO to verify satisfaction of plot owner with compensation amount. If owner not satisfied, then can raise with GRC.</p>	WUSC, NGO, LACFC, WSSDO
2	Loss of land	Permanent loss agricultural land	Sharecropper ⁶	<ul style="list-style-type: none"> • 30 days' advance notice to harvest standing seasonal crops, if harvest is not possible, compensation for share of standing crops at market rates • Cash compensation for perennial crops and fruit bearing trees based on annual net product market value multiplied by average fruit production for next 15 years (or such period as set out in the prevailing law) • Sharecropper assisted in finding replacement land to continue farming. • If no replacement land is available, HH members involved in farming eligible for skill development training based on their need at the rate of NRs 5,000/person/HH⁷ • APs prioritized for project employment 	<p>Harvesting prior to acquisition will be accommodated to the extent possible.</p> <p>NGO and WUSC to assist sharecropper in finding suitable replacement land to continue farming.</p> <p>Value of crops/fruit trees to be negotiated between sharecropper and WUSC or determined by LACFC with advice from Agriculture Department</p> <p>A list of working members of the sharecropper's family will be maintained by WUSC and given to the contractor. Contractor as per their contract required to hire sharecropper family in project works.</p>	WUSC, NGO, WSSDO
3	Loss of livelihood/Income	Livelihood/ income	Sharecropper HH	One-time lump sum grant of two-months ⁸ agricultural income for sugarcane production		WUSC, NGO, WSSDO
4	Impacts on vulnerable APs	All impacts	Muslim Group	<ul style="list-style-type: none"> • Additional subsistence allowance equivalent to NRs 10,000/HH⁹ for restoring or enhancing their livelihood. • Eligible for skill development training based on need at the rate of NRs 5,000/person/HH • Vulnerable households will be prioritized in any project employment 	<p>Vulnerable households to be identified during detailed measurement surveys conducted as part of the RP.</p> <p>A list of vulnerable people will be maintained by WUSC and given to the contractor. Contractor as per their contract required to hire project affected people, prioritizing vulnerable APs.</p>	WUSC, NGO, WSSDO

⁶ The sharecropper is not legally entitled to the compensation cost of the land.

⁷ The training cost includes the cost of training allowance for affected households for the short term training on income generation for a period ranging 4 – 6 days @ Rs. 150 a day, which is Rs. 900. Other costs include the costs for training fee and logistic cost, where the cost of groups of trainees will be involved. The cost is therefore lump sum given as Rs. 5000.

⁸ Based on one months to find replacement income with advanced notice.

⁹ NRs 10,000 is based on common practice in Nepal for providing seed money to initiate income activities. The amount is valued at more than two months income at minimum daily wage rate (@150/day).

VI. CONSULTATION, INFORMATION DISSEMINATION AND DISCLOSURE

A. Summary of Public Consultation

42. All of the people met welcomed the project. The sharecropper is willing to render support and expects a proper compensation package and employment opportunity to his family members during the construction.

B. Continuation of Public Consultations

43. Consultation will be undertaken prior to finalization of detailed design (the plot owner will be contacted) in order that APs' requests and suggestions to minimize resettlement impacts can be incorporated into the design as far as is practicable. Consultations during RP implementation will involve agreements on compensation, assistance options, and entitlement package and income restoration. These will be done for both the sharecropper and plot owner. Consultation and participation activities will continue throughout project implementation to monitor APs and appropriate actions taken if determined necessary by local NGO. NGO will work closely with WUSC in implementation of the RP to ensure the entitlements of the RP are delivered satisfactorily and prior to civil award contracts.

C. Disclosure of RP

44. For the benefit of the APs, the Nepali version of the draft Summary RP (and final RP) will be made to the sharecropper and plot owner, with a copy maintained by DWSS PMO, WSSDO, WUSC, VDC, and the Chief District Officer. A copy of the RP (draft and final) will be disclosed in ADB's and DWSS website.

VII. GRIEVANCE REDRESS MECHANISMS

45. Any grievances and objections will be referred to the Grievances Redress Committee (GRC). The constitutional basis of the Grievance Redress Committee (GRC) for RP activities is Clause 11 of the Land Acquisition Act of Nepal 2034 (1977). The Act assigns CDO as the sole responsibility to chair land acquisition activities. In keeping with the legal provision mentioned in the Act, the basic process of grievances redressal to be undertaken under the Project will be as follows:

- (i) Decisions should be given within fifteen days after receiving the grievances.
- (ii) Further processing of the grievances or any decision should be taken only after consultation with the CDO and also the Project Officer, if deemed necessary.
- (iii) Ministry of Home Affairs can exercise legal authority as of District Court while investigating in the matter of such grievances.

46. When plot owner and WUSC negotiate directly and come to mutual agreement, GRC as per the LAA is not required. In these cases, the Project will form its own Project GRC formulated by the WSSDO. Other members of the committee will be local government representative (VDC, DDC), two representatives of APs with one male and one female, a representative of vulnerable people's organisations active in the area concerned, Consultant, the NGO, and a representative from the Project. The APs may submit their concerns or grievances verbally or in writing to this Committee. The head of WSSDO will be the member-secretary of the committee and shall act as the Project's Grievance Officer.

47. Through public consultations, the APs will be informed that they have a right to grievance redress. The APs can call upon the support of the NGO to assist them in presenting their grievances or queries to the GRC. Grievances of APs will first be brought to the attention of field level staff of the WUSC/NGO. Grievances not redressed will be brought to the GRC. The GRC will meet every month (if grievances are brought to the Committee), determine the merit of each grievance, and resolve grievances within a month of receiving the complaint. Further grievances will be referred by APs to the appropriate courts of law. The WSSDO will keep records of all grievances received including: contact details of complainant, date the complaint was received, nature of grievance, agreed corrective actions and the date these were effected, and final outcome.

VIII. INCOME RESTORATION MEASURES

48. The sharecropper household will lose a regular source of agricultural livelihood. Five members of the sharecropper household are engaged in agricultural activity and efforts are made in this RP to restore pre-project levels of income for these HH members. As the remaining land will be viable to continue cultivation, the sharecropper has noted he will continue farming there. The sharecropper will be guided by the NGO in improving agricultural production including use of modern techniques in cultivation, harvesting and storing, if found necessary.

49. Both the plot owner and members of the sharecropper household are engaged in other income-oriented activities. The plot owner is an out-migrant in USA, and the sharecropper is engaged in wage labour, livestock, and business. The following are the income restoration measures for the sharecropper as indicated in the entitlement matrix:

- (i) 30 days' advance notice to harvest standing seasonal crops, if harvest is not possible, compensation for share of standing crops at market rates before construction activity begins;
- (ii) One-time lump sum grant of two-months agricultural income for sugarcane production to sharecropper;
- (iii) Assistance from WUSC and NGO in finding suitable replacement land for continuation of farming and if necessary, guidance in improving agricultural production on remainder of land;
- (iv) For vulnerable groups (sharecropper HH is Muslim), additional subsistence allowance equivalent to NRs 10,000/HH for enhancing livelihood;
- (v) The sharecropper HH members will be prioritized in any project employment; and
- (vi) If replacement land not available to continue farming, the five (5) members of the sharecropper household dependent on agriculture livelihood are eligible for medium-term income restoration activities which include skill development training based on need at the rate of NRs 5,000/person/HH.¹⁰

50. During the construction stage the sharecropper household working members will be given preference over others in being engaged in activities suitable to their skills. In order to make the APs employable, the WUSC will identify the required skills for the construction activities prior to the commencement of the construction and provide the required training to them. The contract document for the project shall include a provision for employment under the social requirements. Accordingly, the list of APs, will be provided to the contractor, for consideration in the project.

¹⁰ The WUSC and NGO will assess the capacity of the sharecropper prior to offering them any training.

IX. INSTITUTIONAL ROLES AND RESPONSIBILITIES

51. WUSC will implement resettlement activities. A local Non Government Organization (NGO) will be hired by the WSSDO to monitor the smooth implementation of RP. The NGO will work closely with the DSC-Resettlement Specialist consultant during detailed design to verify APs. The NGO will continue further consultation with APs during project implementation and solicit views regarding compensation, and relocation options. The locally selected NGO will verify the implementation of all RP requirements and confirm whether APs received entitlements as per the RP prior to the award of civil contracts. NGOs will also be responsible for linking APs to relevant government programs related to social and economic rehabilitation. The NGO will submit monthly progress reports to the WSSDO, who will then review and take corrective actions if necessary. All monthly reports are to be forwarded to PMO.

52. In cases where WUSC and plot owner negotiate directly, the NGO will verify the satisfaction of the plot owner with the agreed compensation amount. NGOs will also facilitate necessary livelihood training as part of the rehabilitation measures. DWSS, through WSSDO, is to ensure all RPs are implemented and ensure all entitlements are paid accordingly before the award of civil contracts, and submit quarterly monitoring reports to MPPW and ADB.

X. RESETTLEMENT BUDGET

53. The resettlement cost estimate for this subproject includes eligible compensation for land and standing crops, assistance to vulnerable group, and training allowance:

- (i) Compensation for land and crops;
- (ii) One-time lump sum grant of two-months agricultural income for sugarcane production;
- (iii) For vulnerable groups (sharecropper HH is Muslim), additional subsistence allowance equivalent to NRs 10,000/HH for enhancing livelihood; and
- (iv) If replacement land not available to continue farming, the five (5) members of the sharecropper household dependent on agriculture livelihood are eligible for medium-term income restoration activities which include skill development training based on need at the rate of NRs 5,000/person/HH.¹¹

54. The unit rate for agricultural land has been assessed based on recent rate fixed by the government. The current market price of the agriculture land per Katha (338 sq.m.) in the area is Rs.15,000. Given a katha is 338 sq.m., and the land acquisition requirement is 3,000 sqm, resulting in 9 Katha. During consultation with the user committee members and other key informants including an ex-member of the VDC, the land price was reported as the current replacement price. The total compensation cost of 3000 sq.m. to be paid to the plot owner is Rs. 135,000.

55. The documentation fee¹² is a tentative cost in the local revenue department for transacting and buying or selling the land. The plot ownership of the acquired land will be transferred to the WUSC.

56. The sharecropper is not legally entitled to the compensation cost of the land. As to the information provided by the sharecropper, the plot has been a major source of livelihood for his

¹¹ The WUSC and NGO will assess the capacity of the sharecropper prior to offering them any training.

¹² The documentation fee is not required for transferring the land from a private owner to government, in this case the WUSC. The documentation fee is usually 1% of total land cost.

family for almost 15 years. They have been cultivating the land to produce the sugarcane on annual contract basis by paying Rs. 12,000 a year to the plot owner. He produces 600 quintal of sugarcane a year and earns about Rs. 72,000 a year at Rs. 120 per quintal. After paying the plot owner, his gross earning is about Rs. 60,000 a year. The sharecropper HH is entitled to livelihood restoration assistance for lost income based on two months of lost agricultural income at Rs. 5000/month.

57. The cost for hiring an implementing local NGO is part of the overall project costs and is therefore not needed to be included in the RP budget. Costs will be updated during implementation. A 10% contingency has been added in order to adjust any escalation.

58. The cost related to land acquisition and resettlement/rehabilitation cost will be borne by WUSC. DWSS is to ensure that APs are compensated prior to the award of civil works contracts. A detailed indicative R&R cost is given in Table 8.

Table 8: Resettlement Cost

Sl. No.	Item	Unit	Rate per Unit (In NRs)	Quantity	Cost (In NRs.)
A	Compensation				
1	Cost for agricultural land for plot owner	Katha (338 sq.m)	15,000	9 Katha (or 3000 sq.m)	135,000
2	Escalation cost for land @ 20% of current land price	LS	-	-	27,000
B	Assistance/Allowances				
3	Assistance to sharecropper for loss of livelihood based on two months lost income	Month	12,000 ¹³	1	12,000
4	Training allowance to the Affected Sharecropper Household (5 members in agricultural labor)	LS	5000	5	25,000
5	Additional assistance for vulnerable households	LS	10,000	1	10,000
	Total A+B				209,000
	Contingency @ 10%				20,900
				Grand Total NRs	229,900

^a if harvest is not possible for standing crops, cash compensation for crops (or share of crops) equivalent to prevailing market price

A. Implementation Schedule of Duhabi RP

59. The RP will be updated based on the detailed engineering design. ADB and MPPW will approve the updated RP. Upon the approval, the RP will be disclosed to APs and arrangement for fixing the compensation through the LACFC or by the WUSC as per the LA Act 2034.

60. The resettlement disbursement includes the issuance of identity cards (IDs), payment of all eligible assistance, and resettlement and relocation of APs as required. The resettlement compensation must be paid prior to the commencement of civil works.

61. Internal monitoring will be the responsibility of DWSS and will start early during the project when the implementation of the RP starts and will continue until completion of the subproject. The independent monitoring and evaluation will be carried out before the start of the construction and will be carried out intermittently as required.

¹³ Based on monthly agricultural income of Rs 6,000.

62. The implementation of resettlement plan will be scheduled in line with the sub-project implementation. The schedule is subject to modification depending on the progress of the project activities.

63. In accordance with the LA Act 2034, the owners of the property to be acquired must be given minimum 15 days notice to allow them to claim for resettlement compensation and assistance (this does not apply if owner engages in mutual agreement with WUSC according to the LAA). Taking into the consideration the time for each activity for the small number of affected households, the time for completion of RP implementation is planned for a period of minimum 2 – 3 months after updating of the RP. A tentative implementation schedule is given in Table 9.

Table 9: Time Bound Schedule for RP Implementation

	Feasibility Study		Detailed Design		Contract Bidding	Award for Civil Work Contracts	Construction								
	1Q	2Q	3Q	4Q	5Q	6Q	7Q	8Q	9Q	10Q	11Q	12Q	13Q	14Q	15Q
Resettlement Planning															
Approval of RP by ADB and by MPPW				♦											
Disclosure of RP		♦		♦											
Distribution of RP Report and Brochure		♦		♦											
Recruitment of NGO	♦														
Socio-economic survey by NGO and list of APs	♦	♦	♦	♦											
Issue of identity cards	♦	♦	♦	♦											
Identify and confirm poor and vulnerable APs	♦	♦	♦	♦											
Form Grievance Redress Committee				♦	♦										
Grievance Redressing Activities				♦	♦										
Land Acquisition and Resettlement															
Announce start date of RP implementation through public notification				♦											
Disburse compensation payment and assistance for relocation					♦										
Handing over of lands to the contractor for construction ¹⁴							♦								

¹⁴ For components not involving land acquisition, the handing over of project sites to the contractor will be possible from the first quarter. For the other components involving land acquisition and resettlement, the project sites will be handed over for civil works by the sixth quarter.

	Feasibility Study		Detailed Design		Contract Bidding	Award for Civil Work Contracts	Construction								
	1Q	2Q	3Q	4Q	5Q	6Q	7Q	8Q	9Q	10Q	11Q	12Q	13Q	14Q	15Q
Livelihood and Income Restoration															
Disburse livelihood restoration assistance				♦	♦	♦									
Organize skill development training for vulnerable APs				♦	♦	♦									
Capacity Building	All through the RP implementation period														
Internal monitoring	All through the RP implementation period														
External monitoring	During the RP implementation period														

XI. MONITORING

64. The RP implementation activities will be closely monitored internally by DWSS (PMO and WSSDO). This will involve: (i) administrative monitoring to ensure that implementation is on schedule and problems are dealt with on a timely basis; (ii) socio-economic monitoring during and after any resettlement impact utilizing baseline information from sub-project preparation; (iii) overall monitoring to assess AP status; and (iv) preparation of monthly progress reports to be submitted to PMO, reporting actual achievements against the targets fixed and reasons for shortfalls, if any. The selected local NGO will work as an external monitoring agency to document: (i) restoration of income levels; (ii) changes and shifts in occupation pattern; (iii) changes in AP type of housing; (iv) assessment of APs access to amenities, such as water, electricity, and transportation; and (v) performance of WUSCs in resettlement implementation. The monitoring will confirm that the RP has been properly implemented, and to ensure that the resettlement compensation and assistance receivers properly utilize the facilities for the status improved than the baseline status. The NGO will submit annual reports summarizing findings of their external monitoring assessments.

65. The WSSDO will prepare monthly progress reports on resettlement activities and submit to PMO. The PMO will monitor RP implementation and submit quarterly reports to ADB. The NGO will submit annual reviews directly to ADB and determine whether or not resettlement goals have been achieved, more importantly analysis of whether livelihoods and living standards have been restored/enhanced and suggestion of suitable recommendations for improvement must be made. The NGO will also carry out a final ex-post evaluation to ensure that all resettlement and land acquisition activities have been completed. Any problems or issues identified are followed-up (including recommendation of mitigation measures and supplementary budget); and learning from such issues must be recorded which would help to deal with issues such as these more effectively.