

Resettlement Planning Document

Short Resettlement Plan for Khadbari Water Supply and Sanitation Sub-project

Stage: Draft for Consultation

Project Number:

March 2009

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
IP	–	Indigenous People
IR	–	Involuntary Resettlement
LA	–	Land Acquisition
LA Act	–	Land Acquisition Act
MoPPW	–	Ministry of Physical Planning and Works
NGOs	–	nongovernment 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
RVT	–	reservoir tanks
TA	–	technical assistance
ToR	–	terms of reference
WHH	–	Women Headed Households
WTP	–	water treatment plants
STWSSSP II	–	Small Towns Water Supply and Sanitation Sector Project II
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 adverse affected, in full or in part, permanently or temporarily.

Significantly Project Affected Person (SAP) means those APs who lose 10% 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 line¹) landless or households losing 100% of total landholdings (particularly those totally dependent on agriculture for livelihood), as well as remote villages.

¹ Nepal Living Standards Survey (2003/2004) set the average national poverty line as Rs 7,696. With a household size of 5 people, this gives monthly household income level of Rs 3,200 per month rounded down to Rs 3,000.

EXECUTIVE SUMMARY

1. The proposed subproject aims to improve water and sanitation services in Khadbari as part of the Nepal Second Small Towns Water Supply and Sanitation Sector Project (STWSSSP II). The resettlement impact of the sub-project is not significant and limited to 41 people of 7 households. As to the ADB categorization, this subproject is Category B requiring a Short Resettlement Plan, 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 Resettlement Plan (RP) was prepared to be consistent with the RF, ADB and GoN policies.

2. This Short Resettlement Plan (RP) aims to mitigate the adverse impacts and marginalization of the 7 affected households (41 affected people). Resettlement impacts occur as a result of land acquisition required for the construction and improvements of Reservoir Tanks (RVT) and Water Treatment Plants (WTP) in two places, Chyankuti Danda, Baidhya Danda, and in one place in Sal Bisaune for the construction and operation of the waste management system. The land area to be acquired in these three places totals 5,587 sq.m. There will also be a total of 40 trees affected by the land acquisition. There are no tenant and sharecroppers in the affected plots. The types of legally owned private land to be acquired are of agricultural use with no structures being impacted. This RP was prepared in due consultation with the affected persons (APs). 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 to APs when the final RP is completed.

3. To understand the socio-economic profile of the affected persons, questionnaires were designed and information was collected from the affected persons on one-to-one basis. General and focused group discussions and public consultations were conducted at different parts of the proposed service area including the major and minor settlement areas. The numbers of participants in the group consultations were 64 in Khadbari and settlements along the Induwa River. Various methods used for public consultation and participation with concerned stakeholders are described in Table 11. Under the project, the loss of livelihood will be very minimal and can be well compensated by the project. Almost all of the people welcomed the project expressing their views that this is the project of national importance.

4. The concerned government offices were involved in the Resettlement Plan preparation: (i) the District Land Survey Office is involved in land census cadastral survey; (ii) the District Land Revenue Office supported in verification of land ownership status and surveying the land price, and; (iii) other offices consulted include the District Forestry Offices for compensation on loss trees, Agriculture Development Office on loss of crops, Village Development Committees on general issues of the sub-project and resettlement plan. A summary of the consultations is presented in Table 12. The consultation will be continued before and during the RP, particularly during the detailed design stage of subproject preparation and sub-project implementation. Consultations during RP implementation will involve agreements on compensation, assistance options, and entitlement package and income restoration. Such consultation will be carried out in collaboration with the nongovernmental organizations (NGOs) to be hired by the Project to implement the RP.

5. 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.

6. 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.

2. This Short Resettlement Plan (RP) aims to mitigate the adverse impacts and marginalization of the 7 affected households (41 affected people) from the Khandabari Water Supply and Sanitation Sub-project. Resettlement impacts occur as a result of land acquisition required for the construction and improvements of Reservoir Tanks (RVT) and Water Treatment Plants (WTP) in two places, Chyankuti Danda, Baidhya Danda, and in one place in Sal Bisaune for the construction and operation of the waste management system. The land area to be acquired in these three places totals 5,587 sq.m. There will also be a total of 40 trees affected by the land acquisition. There are no tenant and sharecroppers in the affected plots. The types of legally owned private land to be acquired are of agricultural use with no structures being impacted. This RP was prepared in due consultation with the APs. 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 to APs when the final RP is completed.

3. This Short Resettlement Plan (RP) was prepared to be consistent with the Resettlement Framework prepared as part of the Sector Project and is based on ADB's Policy on Involuntary Resettlement (1995) prescribing "do no harm" requirements, and the Land Acquisition Act of Nepal Government 2034 (1977).

B. Subproject Description

4. The sub-project will have gravity surface flow water supply systems using the water source of two tributaries Naruwa Khola and Simale Khola of Induwa River. The system will involve the construction and improvement of intake/s, water reservoir with chlorination facilities, a treatment plant, transmission mains and a distribution system. The sanitation systems will include household private toilets, storm-water drains for some sections of the town, on-site wastewater management and community solid waste management. Table 1 provides an overview of the project components.

Table 1: Project Description

Location	Water Source	Project Description
Khadbari of Sankhuwasabha District	Naruwa Khola and Simale Khola of Induwa River	Gravity flow water supply system with construction and improvement of intake/s, water reservoir with chlorination facilities, treatment plant, transmission mains and a distribution system; and sanitation systems with household private toilets, stormwater drains, home-based on-site wastewater management and community solid waste management.

5. In addition to continuing to use the existing source of water, a new source of water for the Khadbari Sub-project is Induwa Khola flowing through Baulahapokhari in Num VDC. There

are four tributaries of Induwa Khola namely, (i) Naruwa Khola, (ii) Thulo Khola, (iii) Simale Khola, and (iv) Kala Khola. The water used from Thulo Khola includes a 14 Kw small hydropower plant and one water mill used by 150 households. Water from this tributary is not required for the sub-project. The main water source for Khadbari sub-project is Naruwa Khola, and water from Simale Khola has also been considered. As the source for the Khadbari water supply system is in a remote hill area with only one or two small villages downstream of the intake and the river's confluence with other streams and rivers the level of extraction required for Khadbari is not expected to have any impact on the water available for the domestic or agricultural use of the downstream villages. The PPTA conducted discharge measurements in November 24, 2008 at both the proposed sources using the Medium Irrigation Project (MIP) (Department of Irrigation, Nepal). The findings indicate that the proposed small-scale diversion of 19 l/s from the sources will not have any significant impact on the downstream during the driest month of April (59% flow still available) and therefore will not have any significant impact downstream. Therefore, no water use conflicts are envisioned as a result of the subproject. Regardless, the project will consult all surrounding communities and come to agreements with signed MOU to ensure no future conflicts arise.

C. Resettlement Category

6. The resettlement impact of the Khadbari water supply and sanitation sub-project is not significant² and limited to 41 people of 7 households. As to the ADB categorization, this subproject is Category B requiring a Short Resettlement Plan, as provided herein.

D. RP Preparation

7. An inventory of affected plots has been prepared to identify the resettlement impact. A cadastral survey of all affected land plots was conducted. A census survey was conducted for the affected households, based on the cadastral survey. A socio-economic survey was also conducted in order to assess the overall socio-economic condition of the project affected area. Additionally, a walk over survey along the area was carried out.

8. A cadastral survey was carried out by measuring the land plots in sites, using cadastral map sheets. The land plot numbers in the cadastral map were identified. This was followed by the measurement of total area (size) of the plots to be acquired for the sub-project purpose. The cadastral survey was carried out with the support of District Land Survey Office.

9. The identification of land plot numbers and sizes of the land plots to be acquired was followed by the identification of the names of plot owners of each affected land plot and the address of the plot owners. This task was carried out with the support of both the District Land Survey Office and the Land Revenue Offices of the Land Reform Department.

10. A structured census questionnaire was used to collect detailed information on affected households/ properties by visiting door-to-door of plot owners, verifying with the plot ownership certificates possessed by the plot owners and interviewing the plot owners for a full understanding of impacts. In order to develop mitigation measures and the resettlement plan for the APs. The objective of the census survey was to generate a detailed socioeconomic profile of APs by the subproject, the type of impact, type, ownership and market value of land and/or

² 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.

structure, including poverty status. The survey also received their views about the subproject and options for resettlement. Surveys were conducted in November 2008.

E. Summary of Key Impacts

11. The land area to be acquired in these three places totals 5,587 sq.m consisting of legally owned agriculture lands. There are 7 households consisting of 41 affected people. There was no tenant and sharecropper at the time of survey in the affected plots

Table 2: Summary of Resettlement Impacts

Impact	Khadbari Subproject
Impacts on Land	
Permanent Agricultural Land to be Acquired	5,587 sq.m (7 plots)
Affected Persons (APs)	
Households affected by loss of agricultural land (APs in bracket)	7 (41)
Loss of Livelihood	
Households losing agricultural income from farming their own land	7
Vulnerable Affected Households	5
BPL	1
Disability	1
Female HH	1
IP (marginalized)	1
BPL and IP (marginalized)	1
Affected Structures	0
Affected Trees/Crops^a	
Fruit Trees	0
Timber Trees	0
Other Affected Assets	0
Affected Common Property Resources (trees)	40 (community forest)
Household Characteristics	
Average Family Size	6
Average Monthly Income	NRs 5,000
Primary source of income ^b	Agricultural
^a According to the census survey, the land is used by the people for cultivating paddy, wheat, maize.	
^b The APs depend on more than one source of income for their livelihood. Agriculture is the major livelihood source however other allied livelihood sources include livestock (4 households), service pension (1 household), business (1 household), and daily wage labour (1 household).	

12. During the public consultation participants reported small scale fishing in the river for household consumption. The subproject will result in no adverse impacts on the use of water from the Induwa Khola and its tributaries on these people and will not affect any livelihood, income source and traditional occupation dependent on Induwa Khola. Altogether 198 households are settled along Induwa Khola and its tributaries, within the sub-project impact catchment area. The public consultation participants from the settlements along the Induwa River said that they support the sub-project and have no objection to its implementation.

F. Absent APs during Survey and RP Preparation

13. One affected household was absent at the time of survey. During review of the RP at detailed design stage, this absent household must be contacted and included in the revised RP and compensation arrangement.

II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

14. The sub-project has three components namely: a) Reservoir Tank b) Water Treatment Plant, and d) Waste Management at 10 locations. Resettlement impacts occur as a result of land acquisition required for the construction and improvements of RVT and Water Treatment Plants (WTP) in two places, Chyankuti Danda, Baidhya Danda, and in one place in Sal Bisaune for the construction and operation of the waste management system. The land area to be acquired in these three places totals 5,587 sq.m. There will also be a total of 40 trees affected by the land acquisition. The construction locations, land acquisition requirements, and affected people and plot area requirements are shown in Table 3.

Table 3: Land Area to be acquired and Number of Affected People

Location	Objective	Plot ownership	Land acquisition Required	AHs	APs	Resettlement impact category
Chyangkuti Danda	RVT and WTP	Private	Yes	2	13	"B" with "insignificant" resettlement impact requiring Short Resettlement Plan.
Baidhya Danda/ Thunga Bisaune (40 trees)	RVT and WTP	Private	Yes	4	23	
Sal Bisaune	Waste Management	Private	Yes	1	5	
Down from Market	Waste collection & dry sludge	Public	No	-	-	
Total	-	-	-	7	41	

RVT = reservoir tanks, WTP = water treatment plants.
Source: Design Engineer and Field Survey, 2008.

15. Although land required for the subproject includes the private and public ownerships, the land to be acquired will be legally owned private land, and according to the cadastral survey, a total number of 7 titleholder private land parcels (7 households and 41 APs) are affected. There was no tenant and sharecropper in the affected plots. The types of legally owned private land to be acquired are of agricultural use with no structures being impacted. According to the census survey, the land is being used by the people for cultivation, however at the time of survey, there were no standing crops. During consultations, it was found that the usual crops grown in the area include paddy, wheat, maize. The details of land requirement for the subproject are presented in Table 4.

16. 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.

Table 4: Inventory of Land Parcel to be Acquired in Khadbari Water Supply Project

S.N.	Map sheet no.	Parcel No.	Land Area of Affected Parcel				Plot Area (Sq. m.)	Land to be Acquired				Acquisition Area (sq.meter)
			R	A	P	D		R	A	P	D	
1	166-0417	1063	1	10	3	0	850.0	3	3	2	0	123.0
2	166-0417	1065	13	10	1	0	6940.0	4	12	2	0	2420.0
3	166-937	81	4	5	0	3	2200.0	3	0	1	3	1524.0
4	166-816	390	0	3	0	3	100.0	0	3	0	3	100.0
5	166-816	398	1	8	2	3	785.0	1	8	2	3	785.0
6	166-816	1290	0	7	3	2	250.0	0	7	3	2	250.0
7	166-816	1291	0	12	0	2	385.0	0	12	0	2	385.0
	Total						11510.0					5587

Note: Units of land measurement: R: Ropani; A: Anna; P: Paisa; D: Dam; Source: Census Survey, November 2008.

17. Three HHs (Gurong, Kumal, and Tamang) are losing more than 10% of their total cultivated landholdings or productive assets as shown in Table 5.

Table 5: Inventory of Land Parcels to be acquired in Khadbari Sub-project

S.N.	Map sheet no.	Parcel No.	Plot Owners Name	Total Land Area of Affected Parcel (Sq. m.)	Area to be Acquired in sq.meter	% Loss	Other land holdings of Plot Owner (not affected by project) ^a	Percent of total cultivated landholdings lost due to project
1	166-0417	1063	Bal Kumari Gurung	850.0	123.0	14.5	10 Ropani (5087 Sq.m)	3%
2	166-0417	1065	Binod Gurung	6940.0	2420.0	34.9	6 Ropani (3052 Sq.m)	24%
3	166-937	81	Tula Ram Kumal	2200.0	1524.0	69.3	9.6 Ropani (5050 Sq.m)	21%
4	166-816	390	TBD (absent)	100.0	100.0	100	TBD	TBD
5	166-816	398	Amrita Tamang	785.0	785.0	100	8 Ropani (4070 Sq.m)	16%
6	166-816	1290	Dev Bdr. Shrestha	250.0	250.0	100	12 Ropani (6104 Sq.m)	4%
7	166-816	1291	Chandra Maya Majhi	385.0	385.0	100	20 Ropani (10,175 Sq.m)	3.6%
	Total			11510.0	5587.0	48.5		

^a Other landholdings owned by plot owners are used for agricultural purposes as found during AP consultation. Source: Resettlement Land Census Survey, 2008.

18. No structures, including houses, temples, shrines, utility poles, irrigation canals, etc. will need dismantling, shifting or reconstruction as a result of sub-project activities.

19. Other lands for the subproject are government/public owned already in use for the existing reservoir tanks and the water treatment plant – there is sufficient space on these sites

for the proposed works, and there are no other users of this land. The pipeline routes will be along public roads and paths. No properties or land use will be affected temporarily by construction work.

20. There will be a total of 40 trees to be affected by the land acquisition. No commercial fruit trees will be lost. Around 40 trees of Dholbaje community forest will have to cut off for RVT and WTP construction near Barun campus. As to the environmental requirement, there will be provision for plantation and growth care of 25 tree saplings per tree cut, and this is included in the resettlement budget. The Project will not adversely affect any Common Property Resource (CPR) in terms of public structures or buildings.

III. SOCIOECONOMIC INFORMATION/PROFILE OF PROJECT AFFECTED PEOPLE

21. A census of the Subproject affected households (41 APs) was carried in November 2008, which also serves as the project cut-off date. The census will need to be updated as detailed designs are finalized by the technical design team.

22. The Khadbari Sub-project area consists of Khadbari Municipality with Khadbari market zones and Tumlingtar of Sankhuwasabha District in Eastern Nepal. It also covers the surrounding villages of Didin VDC: wards 3, 4 and 5, and the settlements located in between them. The socio-economic profile of the affected people consisted of 6 households out of 7 (one absent at time of survey). During review of the RP at detailed design stage, this absent household must be contacted and included in the revised Plan and compensation arrangement.

A. Household Size

23. Khadbari Sub-project area has a population 19,690 in 3580 households with a mean family size of 5.5. The average family size amongst the surveyed affected households (AH) is 6 (Table 7), which is higher than the average family size of the surveyed population and of Sankhuwasabha District which is 5.17 (District Profile, 2007/08).

B. Ethnic and Caste Groups

24. As shown in Table 6, of the seven AHs, six are indigenous people (IP). Of them two households are marginal indigenous groups (Majhi and Kumal). Three other households are of disadvantaged indigenous groups (Gurung and Tamang), one is of advanced IP (Newar) and another is of non-indigenous caste group (Katuwal). With the exception of the Majhi and Kumal, the IPs are reported as integrated with the society.

Table 6: Ethnicity and Caste Groups of Affected Households

S.N	Ethnic and Caste Groups	No. of HHs
1.0	Indigenous People	6
1.1	Marginalized IPs (Majhi and Kumal)	2
1.2	Disadvantaged IPs Gurung and Tamang	3
1.3	Advanced IPs Newar	1
2.0	Non-Indigenous Caste Group (Katuwal)	1
2.1	Brahmin Chhetri & Other Caste Groups	1
	Total	7

Source: AP Survey, November 2008.

C. Vulnerable Groups

25. A total of five households qualify as vulnerable under the project. Of these five households, one is female-headed household, one is below the poverty line, one has a disability, another is below the poverty line and a marginal IP, and one is a marginal IP. Details are given in Table 7.

Table 7: Socio-Economic Profile of Affected Households (Nov 2008)

S.N	Plot Owners Name	HH size			Education				Occupation/Income Source		Annual Income (NRs)		Annual Expense (NRs)	Vulnerability Status
		Total	M	F	Illit	FL/Pri	Sec	Hr	Main	Allied	HH/yr	Per Capita/yr	NRs	
1	Bal Kumari Gurung	3	2	1	1	-	-	2	Agriculture	Labor	25,000	8,333	21,000	BPL ³
2	Dev Bdr. Shrestha	10	4	6	1	-	7	2	Business	Agriculture	120,000	12,000	123,000	Disability
3	Tula Ram Kumal	8	1	7	3	2	2	1	Agriculture	Labor	60,000	7,500	46,000	BPL & IP
4	Chandra Maya Majhi	7	3	4	1	-	4	2	Agriculture	Service	70,000	10,000	48,000	Female-headed
5	Amrita Tamang (Majhhi)	4	2	2	-	4	-	-	Agriculture	Labor	40,000	10,000	37,000	IP
6	Binod Gurung	4	2	2	-	2	1	1	Service	Agriculture	170,000	42,500	143,000	None

FL = Functional Literacy.

³ This household requested to be considered as BPL during survey as per capita income/year is very near BPL (Nepal BPL per capita is Rs 7,696./yr).

D. Income and Occupational Groups

26. Table 7 provides income and occupational data for the APs. All APs depend on more than one source of income for their livelihood. Agriculture is the major livelihood source of 4 households. Other allied livelihood sources include business, service, and daily wage labour. All APs own other landholdings. The occupation and income sources of APs are also given in Table 7.

E. Literacy and Education

27. Out of a total of 6 interviewed Affected Households, 5 respondents were illiterate and 8 had functional literacy. Others have high school plus secondary education. Table 7 provides the distributions of literacy and educational status of the respondents of Affected Households.

F. Economically Active Age Group

28. Among 36 people in 6 interviewed affected households, 26 (72%) of the affected people are in the economically active age-group of 15-65. Six (16%) people are in the category of below 15 years and 4 persons (11%) in the age-group of 65 years and above. The age distribution of reported family members of the Affected Persons is given in Table 8.

Table 8: Age Group Distribution

Reported HHs	Not Reported	Total Family Members	Affected HH Population by Age Group					
			Below 15 Yrs		15- 60 Yrs		Above 65 Yrs	
			No.	%	No	%	No	%
6	0	36	6	16	26	72	4	11

Source: AP Survey, November 2008.

G. Gender

29. During the time of the Affected People survey, attention was paid to women's participation to assess the impact of the Project on them. The Subproject district (Sankhusaba District) has a slightly higher Gender Development Index (GDI) of 0.467 than the national average (0.452).⁴ The GDI is calculated based on life expectancy, educational attainment and income in accordance with the disparity in achievement between women and men, and reflects the status of women in the society. Sankhuwasabha is dominated by indigenous people and women's empowerment is generally better in indigenous people than other caste groups. Table 7 above indicates that one household of the APs is a female-headed household, considered a vulnerable group, and entitled to special measures of assistance.

30. Women in focus group discussions (FGDs) stated that illiteracy, lack of ownership of property, lack of decision-making authority, and extensive involvement in household activities are some of the areas where they are lagging behind and expressed the needs of programs for empowering them for improved status on these issues. A Gender Action Plan (GAP) will be implemented as part of the project to increase female participation. Women in FGDs expressed the opinion that since the project will solve the scarcity of water and sanitary environment, it will significantly contribute to the following:

- (i) Improve the situation of women and their socio-economic condition.

⁴ Source: Nepal info 2008.

- (ii) Increase the production of seasonal and unseasonal vegetables in kitchen garden through the use of the wastewater for irrigation from increased quantity of water supply, and opportunity for better farming.
- (iii) Save time to fetch water and use saved time to care for families and in productive sectors.
- (iv) Increase the opportunity for employment during the project construction and after the construction caused by the flow of visitors influenced by the improved water, sanitation and living environment.
- (v) Improve the health status of family members and reduce the cost and time for health care of family members including their children.

IV. POLICY AND LEGAL FRAMEWORK

A. Government of Nepal Laws

31. 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 Home⁵.

32. 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.

33. 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

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.

termination of extended three months period the amount will be deposited to the Government account.

34. 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.

35. 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.

36. 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.

37. The typical process of land acquisition is indicated in Table 9.

Table 9: 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

38. 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

39. 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. November, 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

40. For this project, the entitlements listed in Table 10 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 10: Entitlement Matrix						
	Type of Loss	Application	Entitled Person	Entitlement	Implementation Issues	Responsible Institution(s)
1	Loss of land	Full/partial permanent loss of agricultural land	Owner(s) 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 marketrate/replacement value. Provision for all fees (documentation fee, etc.), taxes, and other charges as applicable under relevant laws.</p> <p>If the residual of land is not economically viable, option to be compensated for the entire asset.</p> <p>Owners who loses more than 10% of their total cultivated landholdings or productive assets will be considered severely affected and qualify for a cultivation disruption/transitional allowance of Rs 10,000 per HH⁶</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>LACFC or NGO to determine viability of residual land if owner opts for compensation for full land area</p> <p>If compensation through mutual agreement, NGO to verify satisfaction of plot owner with compensation amount. If not satisfied, then owner can raise with GRC.</p> <p>If land-for-land is offered, (i) ownership will be in the name of original landowners, (ii) joint ownership in the name of husband and wife will be offered in case of non-female-headed households.</p>	WSSDO, WUSC, NGO, LACFC
2	Loss of livelihood/Income	Livelihood/ income	Farmers	<p>One-time lump sum grant of two-months' income based on agricultural income losses/HH.</p> <p>Those losing main source of agricultural livelihood are eligible for skill development training based on need at the rate of NRs 5,000/person/HH</p> <p>APs eligible for project employment</p>		WUSC/NGO/WSSDO
3	Loss of crops and trees	Standing crops and trees	Farmers	<p>30 days' advance notice to harvest standing seasonal crops, if harvest is not possible, cash compensation for crops (or share of crops) equivalent to prevailing market price</p>	<p>Harvesting prior to acquisition will be accommodated to the extent possible.</p> <p>Value of crops/fruit trees to be negotiated between sharecropper and WUSC or determined by LACFC with advice from Agriculture Department</p>	WUSC,NGO,WSSDO
4	Impacts on vulnerable APs	All impacts	Vulnerable APs	<ul style="list-style-type: none"> • Additional subsistence allowance equivalent to NRs 10,000/HH⁶ 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</p>	WUSC, NGO, WSSDO

⁶ 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).

⁷ Based on two months to find replacement income with advanced notice.

Table 10: Entitlement Matrix						
	Type of Loss	Application	Entitled Person	Entitlement	Implementation Issues	Responsible Institution(s)
					people, prioritizing vulnerable APs.	
5	Loss of cultural & community structures /facilities	Trees and Water	Community Households using the water from the source for different livelihood, and other purposes.	<ul style="list-style-type: none"> • In case water disputes arise, project will provide continued provision of water at quantities that will not adversely affect productivity and other output. • 25 trees sapling and growth care support per tree in the case of public trees 		WUSC, WSSDO

⁸ NRs 10,000 is based on common practice in Nepal for providing seed money to initiate income activities. The amount is higher than two months income at minimum daily wage (@150/day).

VI. CONSULTATION, INFORMATION DISSEMINATION AND DISCLOSURE

A. Methods of Public Consultation

41. The following methodologies have been used for carrying out public consultations:
- (i) Disseminating information and requesting the stakeholders including affected people to attend the public consultation meetings.
 - (ii) Sharing the opinions and preferences of the APs.
 - (iii) Involving the APs and other stakeholders in the Resettlement Plan.
 - (iv) Walk-through informal group consultation.
 - (v) Focus group discussions with women groups, poor, indigenous peoples and disadvantaged community groups.
 - (vi) In-depth individual interviews.
 - (vii) Discussions and interviews with key informants.
 - (viii) Informal talk with individual and group of people.
42. To understand the socio-economic profile of the affected persons, questionnaires were designed and information was collected from the affected persons on one-to-one basis. General and focused group discussions and public consultations were conducted at different parts of the proposed service area including the major and minor settlement areas. The numbers of participants in the group consultations were 64 in Khadbari and settlements along the Induwa River. Various methods used for public consultation and participation with concerned stakeholders are described in Table 11.

Table 11: Methods Employed During the Course of Consultations

Stakeholders	Purpose	Method
Department of Water Supply and Sewerage (DWSS)	<ul style="list-style-type: none"> To collect government's policy, guidelines priorities on the project, collect past experience, and seek advice for work. 	<ul style="list-style-type: none"> Individual meetings with the officials of DWSS.
Local Community in the different locations of the Sub-project area	<ul style="list-style-type: none"> To assess overall social perception about the importance of Subproject and local peoples felt need for improvement 	<ul style="list-style-type: none"> Consultation and discussion with local people at different project locations during reconnaissance walk over survey, cadastral survey, social survey and census survey.
District level line agencies (District Water Supply Office, Land Revenue Office, Land Survey Office, Forestry Office, CTEVT)	<ul style="list-style-type: none"> To assess the existing status, verify the land likely to be acquired based on design drawings, carry out cadastral survey, collect land price, and collect information on alternative livelihood scope. 	<ul style="list-style-type: none"> Individual meetings with the officials of respective offices.
Project Affected People	<ul style="list-style-type: none"> To prepare inventory of the affected assets and get measurement and conduct interview with the affected families about the affected assets and on the household matters 	<ul style="list-style-type: none"> Individual interview of affected households by using a structured questionnaire.
NGOs and other stakeholders at the	<ul style="list-style-type: none"> Assess the role NGOs can play in the sub-project and carry out 	<ul style="list-style-type: none"> Representatives of local NGOs and other stakeholders

Stakeholders	Purpose	Method
local level	the program for upliftment of the affected people.	including community members were consulted during field visits in order to assess the overall social perception about the sub-project and to assess the level of their willingness to cooperate the program.

43. The loss of livelihood will be very minimal and can be well compensated by the project. Almost all of the people welcomed the project expressing their views that this is the project of national importance. The major findings of the consultations held at various locations are summarized as follows:

- (i) People are aware of the project and are willing to render the support.
- (ii) APs losing their properties expected a proper compensation package.
- (iii) Proper measures need to be taken to restore loss of their land plots.
- (iv) People informed that there are no such protected place in the project area.
- (v) The compensation should be based on the current market value.
- (vi) APs requested for their representation in the project activities.
- (vii) Contractors should be advised by the project authority to employ the local people.

B. Consultation with Government Officials and Officials of Donor Agencies

44. The concerned government offices were involved in the Resettlement Plan preparation: (i) the District Land Survey Office is involved in land census cadastral survey; (ii) the District Land Revenue Office supported in verification of land ownership status and surveying the land price; and (iii) other offices consulted include the District Forestry Offices for compensation on loss trees, Agriculture Development Office on loss of crops, Village Development Committees on general issues of the sub-project and resettlement plan.

C. Summary of Public Consultation

45. A summary of the consultations is presented in Table 12.

Table 12: Consultation Matrix

Location	Participants	Issues, Opinions, Comments	How RP addresses issues
Chyankuti Danda 9 Dec. 08	Total- 11, Male- 6, Female- 5: • 2 APs and other local community members	<ul style="list-style-type: none"> • The participants are aware and in favor of the sub-project. Everybody expressed their opinion that they will support the project. • Demand for fair and replacement cost for acquired property. • Employment opportunity for local during construction 	<ul style="list-style-type: none"> • The Entitlement Matrix of Resettlement Plan has made provisions of compensations for the affected assets at replacement costs.
Baidhya Danda 11 Dec. 08	Total-16, Male-10, Female-6 • 3 APs and other local community members.	<ul style="list-style-type: none"> • Effect of dumping site to locals • Appropriate measures will be adopted to minimize the effect. • The general occupation of the 	<ul style="list-style-type: none"> • Provision of compensation for affects plots

Location	Participants	Issues, Opinions, Comments	How RP addresses issues
Sal Bsaune 11 Dec. 08	Total 9, Male-6, Female-3 • 1 AP and other local community members.	people in the project vicinity area is agriculture. The usual crops grown in the area is paddy, wheat, maize.	<ul style="list-style-type: none"> • The RP in its Entitlement Matrix has made provisions for involving non-skilled and semiskilled labors during project implementation • The RP has made provisions of compensation at the replacement costs to the owners of affected plots • Additional assistance for loss of livelihood
Khadbari 10 Dec. 08	Total 11, Male 8, Female – 3 • Dhol Baje Community Forestry User Group members	<ul style="list-style-type: none"> • There will be loss of agricultural land due to the land acquisition. • There will be no loss of community life and community property. • There is a shortage of water both during summer and winter in the sub-project area. 	
Khadbari 12 Dec. 08	Female – 9 • Members of Khadbari Mother Group as Water User Group	<ul style="list-style-type: none"> • The affected people opted for cash compensation. All the participants expect some additional assistance along with the compensation 	
Institutional 10 Dec, 08	Total 8, Male 5, Female 3 • Campus Lecturer • District Land Survey Office • District Land Revenue Office • District Forest Office • District Administration Office • District Water Supply and Sanitation Sub-division Office - 2		

D. Continuation of Public Consultations

46. The consultation will be continued before and during the RP, particularly during the detailed design stage of subproject preparation and sub-project implementation. Consultations during RP implementation will involve agreements on compensation, assistance options, and entitlement package and income restoration.

47. Such consultation will be carried out in collaboration with the NGOs to be hired by the Project to implement the RP. Some of the appropriate plans to be considered while conducting further consultation are as follows:

- (i) Together with the NGO and WSSDO, the WUSC will conduct information dissemination sessions in the project area and seek the help of local community/leaders as well as to encourage the participation of APs;
- (ii) Focus Group Discussions will be held with the vulnerable groups such as women, IPs, Schedule Casts, ethnic community, the poor and so on in order to help them develop a holistic understanding regarding the project as well as the benefits and special consideration that will be given to them throughout the project;
- (iii) The NGO will organize public meetings to inform the community about the payment and assistance paid to the community. Regular update of the program and resettlement component of the project will be placed for public display at the Project offices;

- (iv) The participation of AP's will be further enhanced through their active involvement in the Sub-project level office's Grievance Redress Committee (GRC). NGOs will maintain ongoing interaction with AP's to identify problems and undertake appropriate remedial measures;
- (v) There will be Grievance Redress Committees (GRC) to assist the APs on their grievances, if any. Attempts will be made to ensure that vulnerable groups understand the process and take their specific needs into account. APs will be provided information regarding entitlements. The NGO to be hired for involvement in the implementation activities will keep the affected people informed about the impacts, the compensation and assistances proposed for them and facilitate addressing any grievances;
- (vi) 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 other relevant government programs related to social and economic rehabilitation. The NGO will submit monthly progress reports to the DWSS PMO;
- (vii) In cases where WUSC and plot owner negotiate directly, the NGO will verify the satisfaction of the plot owner with the agreed compensation amount; and
- (viii) DWSS 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.

E. Disclosure of RP

48. 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

49. 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.

50. 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.

51. 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

52. Efforts are made in this RP to mitigate negative social impacts on project-affected persons by supporting affected households through proper compensation and assistance and by restoration of pre-project levels of income.

53. The APs losing their lands are titleholders. Lands are characterized by agricultural use without any structures and legally owned by title holders who are known. The 6 households interviewed are engaged in other income-oriented activities apart from being engaged in agriculture. The following are the income restoration measures for entitled APs 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) Owners who lose more than 10% of their total cultivated landholdings will be considered severely affected and qualify for a cultivation disruption/transitional allowance of Rs 10,000 per HH;⁹
- (iii) One-time lump sum grant of two-months income based on agricultural income losses;¹⁰
- (iv) Those losing main source of livelihood (4 HH losing agriculture as main source) are eligible for skill development training based on need at the rate of NRs 5,000/person/HH;¹¹
- (v) APs eligible for project employment; and
- (vi) Vulnerable persons (5 HH) are entitled to additional subsistence allowance equivalent to NRs 10,000/HH for restoring or enhancing their livelihood and eligible for skill development training based on need at the rate of NRs 5,000/person/HH, and prioritized in any project employment.

54. During the construction stage the project affected people will be eligible for project employment, with vulnerable people given priority. In order to make the APs employable, the NGO will identify the required skills for the construction activities prior to the commencement of

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).

¹⁰ Actual agricultural income losses will need to be updated at detailed design.

¹¹ Working members of HH involved in agriculture are eligible for training allowance. This will need to be confirmed during detailed design. For costing, the total HH size (22 members the four affected HHs) is used.

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 (specifying if vulnerable person), will be provided to the contractor, for consideration in the project.

55. Replacement land will be identified during the period after the notification of land acquisition and before the payment of compensation in consultation with the local community leaders and the affected plot owners. The replacement land shall be either government land if available at the appropriate place at similar land value or private land to be purchased at similar replacement land value.

56. For the agricultural landowners losing part of their land and the remaining land will be viable to continue cultivation, they will be guided by the NGO in improving agricultural production including use of modern techniques in cultivation, harvesting and storing. Income restoration schemes will be designed in consultation with APs. The strategy for income restoration will be prepared prior to land acquisition. The NGO will consider the resource base of APs and their socio-economic characteristics and preferences to develop appropriate income restoration schemes.

IX. INSTITUTIONAL FRAMEWORK

57. 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.

58. 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

A. General

59. The resettlement cost estimate for this subproject includes eligible compensation, resettlement assistance and support cost for RP implementation.

- (i) Compensation for agricultural land at their replacement value;
- (ii) Compensation for crops and trees;
- (iii) Assistance for the documentation and administrative fees;
- (iv) Resettlement and Rehabilitation Assistance in the form of Training allowance;

- (v) Assistance for vulnerable groups for their livelihood restoration; and
- (vi) Cost for implementation of RP.

B. Compensation

60. The unit rate for agricultural land has been assessed based on recent rate fixed by the government. The Government sometimes fixes the land price at more than the current market value for higher revenue generation. A meeting with Khadbari District Land Revenue Office and Land Survey Office of Survey Department was held on land price issues. The LRO confirmed that the current land price is set at replacement cost. They reported that other similar land can be purchased at a price less than the price set in this RP.

61. Cost estimates have to be revised and updated in case of any change during the detailed design. The Government will bear all the costs of land acquisition.

C. Assistance

62. The documentation fee¹² is the standard rate and is based on the standard practice in some of the existing projects and also as per the local revenue department for transacting and buying or selling the land.

63. Assistance for loss of livelihood has been calculated based on two months of lost agricultural income of each affected households. Actual agricultural income loss will need to be confirmed during detailed design, but for costing purposes, the average monthly income is used which is NRs 5700 based on the data collected during the public consultation.

64. Additional allowance is given to three HHs (Gurong, Kumal, and Tamang) losing more than 10% of their total cultivated landholdings or productive assets is provided. This information will be confirmed during detailed design but allowance has been provided in the budget below.

65. Training allowance of NRs 5,000/member/HH is given to working members of family losing main source of agricultural income due to project. There are four HHs losing main source of agricultural income with a total of 22 members (working members will need to be confirmed during detailed design)

66. Assistance for Vulnerable Families has been derived on lump sum basis which is slightly higher than average two months income (NRs 10,000/HH).

67. 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 budgeted. A 10% contingency has also been added in order to adjust any escalation and unexpected implementation costs. The owner who was absent during the survey will need to be contact as soon as possible to include in consultation and resettlement planning.

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.

D. Source of Funding and Fund Flow Management

68. The cost related to land acquisition and resettlement cost will be borne by the WUSC. DWSS is to ensure payment of all compensation and assistance is paid in full to APs before the award of civil contracts. A detailed indicative R&R cost is given in Table 13.

Table 13: Resettlement Cost

Sl. No.	Item	Unit	Rate per Unit (In NRs)	Quantity	Cost (In NRs.)
A	Compensation				
A-1	Agricultural Land				
1	Cost for agricultural land	Sq.m	492	5587.00	2,748,804
	Sub Total A-1				2,748,804
A-2	Compensation for Crops¹³/Trees				
1	Cost replacement for 40 trees and care for their growth (25 new trees X 40 cut= 1000 planted trees)	LS	NA	NA	100,000
	Sub Total A-2				100,000
	Total A (A-1+A-2)				2,848,804
B	Assistance				-
2	Assistance for lost livelihood based on two months lost agricultural income/HH	No	11,546 ¹⁴	7	80,822
3	Those losing main source of agricultural livelihood are eligible for skill development training based on need at the rate of NRs 5,000/person/HH	Lump sum	5,000	22 ¹⁵	110,000
4	Additional allowance for farmers losing more than 10% of their total cultivated landholdings or productive assets	Lump sum	10,000	3	30,000
5	Additional assistance for vulnerable households	Lump sum	10,000	5	50,000
	Total B				270,822
	Total R&R Cost (A+B)				3,119,626
	Contingency @ 10% of the Total R&R Cost				311,962
	Grand Total				3,431,588

E. Implementation Schedule of Khadbari RP

69. 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.

70. 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.

¹³ If standing crops exist at time of acquisition, APs are entitled to the following: 60 days' advance notice to harvest standing seasonal crops, if harvest is not possible, cash compensation for crops (or share of crops) equivalent to prevailing market price.

¹⁴ Calculated based on average monthly income of NRs 5,773 which was collected during the public consultation. Actual agricultural income losses to be confirmed during detailed design.

¹⁵ Those working members of the families (Shrestha, Maihi, Majhi, Gurung) losing main source of agricultural income to be confirmed during detailed design.

	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
Disburse compensation payment and assistance for relocation					♦										
Handing over of lands to the contractor for construction ¹⁶							♦								
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 AND REPORTING

74. 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.

75. 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

¹⁶ 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.

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.