

# Indigenous Peoples Planning Framework

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## Nepal: Decentralized Rural Infrastructure and Livelihood Project – Additional Financing

Prepared by Department of Local Infrastructure Development and Agricultural Roads, Ministry of Local Development for the Asian Development Bank.

## CURRENCY EQUIVALENTS

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## ABBREVIATIONS

ADB	Asian Development Bank
APs	affected people
CBO	community-based organization
DAG	disadvantaged group
DDC	district development committee
DISC	district implementation support consultant
DIST	district implementation support team
DOLIDAR	Department of Local Infrastructure Development and Agricultural Roads
DPO	district project officer
DRILP	Decentralized Rural Infrastructure and Livelihoods Project
DTO	district technical officer
FGD	focus group discussion
GON	Government of Nepal
HH	household
IA	implementing agency
IPs	Indigenous People
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Planning Framework
IPSA	Initial Poverty and Social Assessment
NFDIN	National Foundation for Development of Indigenous Nationalities
NFIN	Nepal Federation of Indigenous Nationalities
NGO	nongovernment organization
NRs	Nepali Rupees
PCU	Project Coordination Unit
RF	Resettlement Framework
RP	Resettlement Plan
SAP	Social Action Plan
SIA	Social Impact Assessment
SIS	Supplementary Investment Schemes
SPS	Safeguards Policy Statement
VDC	Village Development Committee
VWRCC	Village Works Road Construction Committee

## GLOSSARY

Affected	All persons who as of the cut-off date stand to lose for the Project all or part of their land or other assets, irrespective of legal or ownership title.
Dalits	The formerly “untouchable” castes now calling themselves Dalits (“oppressed”, “broken”, or “crushed”).
Non-titled	Those who have no recognizable rights or claims to the land that they are

	occupying. However illegal inhabitants as per law of Nepal will be excluded from non-titled.
Poverty Line	The level of income below which an individual or a household (HH) is considered poor (NRs 10,000 in most districts in 2009). Nepal's national poverty line is based on a food consumption basket of 2,124 calories and an allowance for nonfood items of about two thirds of the cost of the basket, will be adopted by the Project to count affected people (APs) under the poverty line. The determination of poor HHs or persons under the project will be based on the census and socio-economic survey and confirmed by community meeting that APs/HH falls below the poverty line.
Project Affected Family	A family consisting of APs, his/her spouse, sons, unmarried daughters, daughters-in law, brothers or unmarried sisters, father, mother and other legally adopted members residing with him/her and dependent on him/her for their livelihood.
Severely Project Affected Family/People	A Project Affected Family that is affected by the project such as: a. There is a loss of land or income such that the affected family fall below the poverty line; and/or b. There is a loss of residential house such that the family members are physically displaced from housing.
Squatters	People living on or farming land not owned by themselves and without any legal title or tenancy agreement. The land may belong to the Government or to individuals.
Vulnerable Group	Distinct group of people or persons who are considered to be more vulnerable to impoverishment risks than others. The poor, women-headed, Dalits and IPs HHs who fall below poverty line will be counted as vulnerable APs.
Women Headed Household	Household headed by women, the woman may be divorced, widowed or abandoned or her husband can be working away from the District for long periods of time, but where the woman takes the decisions about the use of and access to HH resources.
Zone of Influence	A baseline survey of the Zone of Influence (ZOI), within the geographical boundary of 1.5 hours walking distance, along first phase of transport subprojects under DRILP, carried out to establish socio-economic parameters for pre-project scenario to compare them with those established after the project interventions.

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# INDIGENOUS PEOPLES PLANNING FRAMEWORK (IPPF)

## I. INTRODUCTION

### A. General

1. The Decentralized Rural Infrastructure and Livelihoods Project – Additional Financing, referred to as the Project, is an extension of the ongoing Decentralized Rural Infrastructure and Livelihoods Project (DRILP), approved in 2004. DRILP was an initiative of the Government of Nepal (GON) to reduce rural poverty in 18 very poor remote hill and mountain districts affected by the conflict. The purpose of project implementation was to achieve sustainable increased access to economic and social services and enhance social and financial capital of the people in the project area, particularly the poor and disadvantaged groups in conflict areas.

2. The signing of the comprehensive peace agreement on 21 November 2006 marked the end of 11 years of armed conflict and the beginning of an important stage in Nepal's socio-economic development. Nepal entered into a transition period to re-establish and enhance its local infrastructure and deliver government services to rural communities. DRILP, which GON, the Asian Development Bank (ADB) and Swiss Agency for Development and Cooperation (SDC) considered a flagship project for addressing the underlying causes of the conflict, was expected to consolidate the achievements of the popular movement. The project approaches aimed to reduce poverty and improve livelihoods using local infrastructure development as a means to an end rather than, as previously, an end in itself.<sup>1</sup>

3. The DRILP has been a sector-like project, which has aimed to reduce rural poverty in hill and mountain areas of Nepal by extending the network of rural transport infrastructure and improving small, community level socio-economic infrastructure. At the same time it has provided employment, empowered rural communities, increased institutional capacity, and improved accountability and transparency, so that the investment in construction and rehabilitation of infrastructure resulted in sustainable improvements.<sup>2</sup>

4. The GON's Ministry of Local Development and donors which include German Agency for Technical Cooperation (GTZ), Japan International Cooperation Agency (JICA), SDC, ADB, World Bank (WB), and the World Food Programme (WFP) signed a Statement of Intent on 21 February 2008 expressing their preference to enter a Sector Wide Approach for overall rural transport infrastructure.<sup>3</sup> Since DRILP demonstrated successful results to date, the Statement of Intent signatories intend to support a follow-on project. The project will give more emphasis on reducing the poverty by improving disadvantaged communities' access to social and economic goods and services.

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<sup>1</sup> Government of Nepal. 2008. Rural Infrastructure for Reducing Poverty and Improving Livelihoods: An Overview of the Decentralized Rural Infrastructure and Livelihoods Project (DRILP) in Nepal. January.

<http://www.drspnepal.org/drilp/Download/DRILP%20overview%20Brochure-2008.pdf>

<sup>2</sup> ADB. Sectors and Themes. Environment. <http://www.adb.org/documents/environment/nep/drilp/nep-drilp.asp>

<sup>3</sup> The sector-wide approach is a relatively new way of working between governments and donors. It is one which a large number of donors are starting to favor, though it also has its opponents. Sector Wide Approaches work differently in different countries but they are typified by the following features: (i) All significant government and donor funding for the sector supports a single sector policy and expenditure program; (ii) Government leads the process and its implementation; and (iii) Common approaches are adopted across the sector by all funding parties (government and donors). There is progress towards relying on government procedures to disburse and account for donor funds. <http://www.eldis.org/index.cfm?objectId=235458D6-C242-EEBD-EB8EE95A688E3630>

5. As with the DRILP, the Project will be implemented in 18 districts of Nepal. These districts are mostly those that are characterized by extreme poverty, total absence, or very limited access to, vehicular linkages to internal or external markets and services. These districts were also among those highly affected by the conflict. The districts covered by the Project are:

- (i) Central and Eastern Districts  
Okhaldhunga, Ramechhap, Solukhumbu and Taplejung
- (ii) Western Districts  
Baglung, Gorkha, Lamjung and Myagdi
- (iii) Mid and Far Western Districts  
Jajarkot, Baitadi, Bajhang, Bajura and Darchula
- (iv) Karnali Districts  
Dolpa, Humla, Jumla, Kalikot and Mugu

## **B. Project Goals and Objectives**

6. The Project is an initiative of GON to reduce rural poverty in the above 18 very poor remote hill and mountain districts affected by the conflict. The purpose of project implementation is to achieve sustainable increased access to economic and social services and enhance social and financial capital of the people in the Project area, particularly the poor and disadvantaged groups in conflict areas.

7. The purpose of project implementation is to achieve sustainable increased access to economic and social services and enhance social and financial capital of the people in the project area, particularly the poor and disadvantaged groups in conflict areas. The Project will improve the livelihoods of people in the project areas, particularly the poor, who constitute about 60% of the subproject area population. The Project aims to reduce the poverty level in 18 project districts from 60% to 45% by generating employment of 34,700 person years. The Project design provides that the project districts select rural transport subprojects that help to extend the district network of rural roads, trails and pedestrian bridges. To enhance the impact of improved access on rural livelihoods, districts identify and invest in Supplementary Investment Schemes (SIS) that are small community infrastructure such as water supply, irrigation, micro-hydro power schemes, community/market buildings, health sub-posts, primary schools etc. A number of capacity building activities will enhance skills. Together, these initiatives will provide at local level employment opportunities, empower rural communities for development, increase institutional capacity and improve accountability and transparency.

8. The Project objectives are achieved through a series of project activities that are broadly grouped into four components: (i) Community Development and Rural Livelihood Restoration; (ii) Capacity Building and Decentralized Governance; (iii) Rural Transport Infrastructure; and (iv) Project Management Services. The Project will be implemented in all of the same 18 districts covered in DRILP, which include 14 districts of Western, Mid-Western and Far Western Development Regions of the country.

9. The Project outcome is to improve rural communities' access to goods, services, facilities and employment opportunities in these districts. The proposed outputs are: (i) the rural transport infrastructure network is extended; (ii) affordable and reliable transport services are developed; (iii) strategic community complementary access infrastructure is provided; (iv) poor beneficiaries maximize benefits from increased mobility and access; (v) increased community awareness and participation in the planning, implementation, and maintenance of rural transport infrastructure;

and (vi) improved planning, execution capacity and road maintenance capacity of districts administrations.

## **II. OBJECTIVES AND POLICY FRAMEWORK**

### **A. Relevant Legal Framework**

10. The legal framework for this Indigenous Peoples Planning Framework (IPPF) is based on the ADB Safeguards Policy Statement (SPS) (2009), the Interim Constitution of Nepal, the Three Year Interim Plan (2007-2010), sections of the National Foundation for Development of Indigenous Nationalities (NFDIN) Act 2002, National Human Rights Action Plan 2005, Environmental Act 1997, Forest Act 1993, and Community Forestry Guideline.

#### **1. ADB Policy on Indigenous Peoples**

11. In ADB's 2009 SPS, for operational purposes, the term 'Indigenous Peoples' (IPs) is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees:

- (i) Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- (ii) Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- (iii) Customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- (iv) A distinct language, often different from the official language of the country or region.

12. In considering these characteristics, national legislation, customary law, and any international conventions to which the country is a party will be taken into account. A group that has lost collective attachment to geographically distinct habitats or ancestral territories in the project area because of forced severance remains eligible for coverage under the SPS. The IP safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of IPs or affects the territories or natural or cultural resources that IPs own, use, occupy, or claim as their ancestral domain.

#### **2. GON Policies towards IPs**

13. The Interim Constitution of Nepal commits the government for the protection and development of IPs. For the welfare of Janajati (IPs) the government set up a National Committee for development of Nationalities in 1997. The parliament passed a bill in 2002 for the formation of NFDIN which came into existence in 2003 replacing the previous committee. This foundation has been working for the preservation of the languages, cultures and empowerment of the marginalized ethnic nationalities.

14. The Three Years Interim Plan Paper (2007-2010) includes following policies for inclusive development of IPs and other disadvantaged groups: (i) creating an environment for social inclusion; (ii) participation of disadvantaged groups in policy and decision making; (iii) developing special programs for disadvantaged groups; (iv) positive discrimination or reservation in education, employment, etc.; (v) protection of their culture, language and knowledge; (vi) proportional representation in development; and (vii) making the country's entire economic framework socially inclusive.



15. National Federation of Indigenous Nationalities (NFIN) Act 2002, National Human Rights Action Plan 2005, Environmental Act 1997, and Forest Act 1993 have emphasized protection and promotion of IPs knowledge and cultural heritage. In 1999, Local Self-Governance Act was enacted to give more power to the local political bodies, including authority to promote, preserve and protect the IPs' language, religion, culture and their welfare.

### **3. IPPF Policy Framework**

16. The need for a full Indigenous Peoples Plan (IPP) depends on the nature and extent of project impacts on the IPs. According to ADB's policy on IPs, the following criteria will be the basis to determine the project impacts:

- (i) Adverse impacts on customary rights of use and access to land and natural resources;
- (ii) Negative impacts on socio-economic and cultural identity;
- (iii) Impacts on health, education, livelihood and social security status; and
- (iv) Any other impacts that may alter or undermine indigenous knowledge and customary institutions.

17. If the Project impacts are insignificant, appropriate mitigation and benefits from the project will be integrated in the Resettlement Plan (RP). The RP, or if needed the IPsP, will ensure the inclusion of IPs in the preparation, implementation, and monitoring, of project activities. The RP/IPP will also ensure the distribution of Project benefits to the affected IPs population.

#### **a. Objectives of the IPPF**

18. This IPPF provides policy and procedures to screen project impacts on IPs and prepare planning documents in compliance with ADB's 2009 SPS for subprojects during implementation. If the Project impacts are significant, a detail study and preparation of an IPP, prepared in line with this IPPF, will be required, based on the social impact assessment with the assistance of qualified and experienced experts and drawing on indigenous knowledge and participation by the affected Indigenous.<sup>4</sup>

19. The IPPF provides a framework for continued consultation with the affected IP communities during project implementation; specifies measures to ensure that IPs receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.

20. IPPF is prepared to guide the preparation of subprojects under the Project to ensure better distribution of the project benefits and promote development of the Janajati along with other disadvantaged social groups in the project areas of influence. The IPPF is developed based on the national policies/strategies as well as ADB's 2009 SPS. The principal objectives of the IPPF are to:

- (i) Ensure the participation of the affected IPs and other disadvantaged communities in the entire process of preparation, implementation, and monitoring of Project activities;

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<sup>4</sup> ADB. 2009. *Safeguard Policy Statement 3: Indigenous People*. Manila.

- (ii) Ensure Project benefits will accrue to IPs and other disadvantaged communities, and mitigate any adverse Project impacts;
- (iii) Define the institutional arrangement for screening, planning and implementation of IPPs for subprojects; and
- (iv) Outline the IPP monitoring and evaluation process.

21. The Project aims to improve the livelihoods of the 18 districts which are very poor and remote hill and mountain districts of Five Development Regions of Nepal. Further, these districts were severely affected during a decade long civil conflict in Nepal. The project is successful in achieving the improvement of the livelihoods of the local people particularly the poor and disadvantaged people and also helpful in checking the migration of youth to India and other Gulf countries to some extent.

22. Nearly 46% of the total populations in the Project areas are Indigenous/Janajati and the Dalit ('oppressed', 'broken' or 'crushed') low caste, 'untouchables.'<sup>5</sup> So the Project will require necessary assessment of the status of these groups to ensure the distribution of Project benefits and to recommend measures to develop their socio-economic conditions.

### III. IDENTIFICATION OF AFFECTED IPs IN PROJECT DISTRICTS

#### A. General Background of IPs in Nepal

23. Nepal's complex social structure makes it challenging to define IPs in Nepal. Nepal is a multi-ethnic, multi-lingual, multi-religious and, multi-cultural country, dominated by Hindu caste groups (Brahmin-Chhetri). The 2001 census has identified 100 different social groups in the country with over 92 languages and a mix of Hindu, Buddhist, Kirat, Animism, Christian and Muslim religions. The 2001 Census reports 8.4 million populations of 43 ethnic nationalities. The IPs are known as adivasi or janajati in the Nepalese context. Some of the key characteristics of IPs are defined as: (i) distinct collective identity; (ii) own language, religion, tradition, and culture; (iii) own traditional relatively egalitarian social structure; (iv) traditional homeland and geographical area; and (v) written or oral history that traces their line of descent back to the occupants of territories before they were integrated in to Nepal within the present Nepali frontiers.

24. Based on these characteristics, the NFDIN, a Government founded institution, has recognized 59 different nationalities as IPs/ethnic groups of Nepal who comprise about 37.2% of the country's population of over 25 million. The majority of these IPs are socially, economically, politically and educationally marginalized. The Human Development Index shows considerable disparities among various nationalities/ethnicities and castes and communities, which in some cases are still widening as can be seen in the Table below [Central Bureau of Statistics National Living Standard Survey data comparing 1995/96 with 2003/04]. As can be seen from the table, the Hill Janajati are the second most poor category over the decade between 1995 and 2005, just above Dalits; and their Poverty Headcount Rate has only improved by 10%, the least progress in Nepal after Muslims.

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<sup>5</sup> DRILP, Baseline Survey Dec. 2009.

**Table 1: Poverty Incidence by Caste and Ethnicity, Nepal 1995/96 and 2003/04**

RANK	CASTE AND ETHNICITY	Poverty Headcount Rate		
		1995/96	2003/04	Change in Percent
	<b>NEPAL</b>	<b>41.8</b>	<b>30.8</b>	<b>-26</b>
1	Newar	19.3	14.0	-28
2	Brahmin/Chhetri	34.1	18.4	-46
3	Tarai Middle Caste	28.7	21.3	-26
4	Tarai Janajati	53.4	35.4	-34
5	Muslim	43.7	41.3	-6
6	Hill Janajati	48.7	44.0	-10
7	Dalits	57.8	45.5	-21
	Others	46.1	31.3	-32

Source: Central Bureau of Statistics ,2005.

25. IPs in Nepal are a very heterogeneous group and in the context of this project and framework it is important to distinguish the vulnerable and poor IPs from the others. The NFDIN affiliated NFIN has classified IPs into five different categories based on socio economic variables that include literacy, housing, occupation, language, area of residence and population size. This is given in the following table. The project has followed this categorization, distinguishing between impacts on the different categories of IPs.

26. With respect to Endangered IPs, note that the table covers Nepal overall, whereas the Project is only in select Mountain and Hill districts; and there are no endangered IPs in Nepal's mountain areas, whereas IPs within the Inner Terai and Terai will not be within the Project's geographical area. As noted below, no Endangered IPs groups are found in project districts.

27. Highly marginalized and endangered IPs concerns groups that are either very small in size (e.g. Lepcha and Meche) or are small in size or live far away from any town and did not integrate with the larger society through e.g. schooling and service (e.g. Raute, Chepang). All these groups have problems in maintaining their language and their cultural identity as they are too few in numbers or have to give up essential elements of their lives in order to benefit from educational, health and development services. More than 90 % of the population of this group lives in rural areas and their economy is based on agriculture or in the case of Rautes on hunting and gathering. The sub-project selection criteria will screen out subprojects in areas where endangered IPs live. Also noted below, no Highly Marginalized IPs groups are found in project districts.

**Table 2: Indigenous People and their Level of Marginalization**

Region	Endangered	Highly Marginalized	Marginalized	Disadvantaged	Advantaged
<b>Potential Project Areas of Nepal</b>					
<b>Mountain</b>	--	Shiyar, Shingsawa (Lhomi), Thudam	Bhote, Dolpo, Larke, Lhopa, Mugali, Topkegola, Walung	Bara Gaunle, Byansi (Sauka), Chhaintan, Marphali Thakali, Sherpa, Tangbe, Tingaule Thakali	Thakali
<b>Hill</b>	Bankariya, Hayu, Kusbadiya, Kusunda, Lepcha, Surel	Baramu, Thami (Thangmi), Chepang	Bhujel, Dura, Pahari, Phree, Sunuwar, Tamang	Chhantyal, Gurung (Tamu), Jirel, Limbu (Yakthung), Magar, Rai, Yakkha, Hyolmo	Newar

Region	Endangered	Highly Marginalized	Marginalized	Disadvantaged	Advantaged
<b>Subtotal</b>	<b>6</b>	<b>6</b>	<b>13</b>	<b>15</b>	<b>2</b>
<b>Non-Project Areas of Nepal</b>					
<b>Inner Terai</b>	Raji, Raute	Bote, Danuwar, Majhi	Darai, Kumal	--	--
<b>Terai</b>	Kisan, Meche (Bodo)	Dhanuk (Rajbansi), Jhangad, Santhal (Satar)	Dhimal, Gangai, Rajbanshi, Tajpuriya, Tharu	--	--
<b>Subtotal</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>0</b>	<b>0</b>

Source: National Federation of Indigenous Nationalities, (year).

28. Marginalized IPs include two major ethnic groups, the Tamang (5.6%) in the hills and the Tharu<sup>6</sup> (6.8%) in the Terai (not a project area), and several minor groups. Compared to the disadvantaged group category below, these groups did not have opportunities like service in foreign armies and other, while the minor groups are extra disadvantaged because of their small numbers and subsequent under-representation in decision making and sharing of development benefits. Their literacy and other social development indicators are generally low, and even today many in these groups are in subservient relationships with their dominant patron neighbors, who through their linkages to rulers, economic status and higher education levels, dominate these groups.. The project will address any barriers to participation through extensive consultation and participation.

29. Disadvantaged IPs include major ethnic groups like the Magar (7.1%), Rai (2.8%), Gurung (2.4%), Limbu (1.6%) and Sherpa (0.7%). Most of these hill and mountain groups, who will be found in project districts, tended to have in the distant past animal husbandry-based livelihoods, but over the centuries crop farming has become more important. They gradually integrated with the Hindu caste that entered the hills often with support of kings and armies and became the dominant community in their areas. At present most are marginal farmers with low socio-economic status, and low levels of literacy and access to services and opportunities. Some groups have raised their social or economic status through tourism (Sherpa), service in foreign armies (Magar, Rai, Gurung, Limbu) and migration. In mixed societies their participation in organizations and decision making structures tends to be low. The project will address barriers to participation through extensive consultation and participation.

30. Advantaged IPs, i.e. the Newar (5.5%) and Thakali (0.1%) are also in project mountain and hill districts respectively They have sizeable trade communities and presence in the towns resulting in economic clout and integration in the power structures of the country. Their status, interests and issues, notably those of the Newar, are often quite similar to those of the dominant Hindu castes (Brahmin/Chettri). No special assessments or measures are required for this category.

<sup>6</sup> Many Tharu, who lived in bonded labor on land they previously owned, have been freed, and now live as freed Kamaiya on small plots of government-donated or illegally occupied land in town neighborhoods and forests and depend on the available on farm and off farm labor. Note that Tharu are Terai dwellers, and therefore won't be found in project districts.

**B. Distribution of the Ethnic Groups (including IPs) in Project Districts**

31. Various groups of IPs are found in the Project districts, as shown in the table below showing the four major ethnic groups (including IPs) in each project district and their percentage of the overall population. Note that no significant endangered or highly marginalized IPs groups are found in project districts. Only Tamangs, of the Marginalized IPs group, are found in project districts among the four most populous ethnic groups, and only two districts, Ramechhap, where they are 20.6 % of the population, and Solukhumbu, where they are 16.2% of the population. Similarly, the advanced group, Newars, area a significant population (14.1%) in only one project district, Ramechhap.

32. IPs Disadvantaged Groups (DAG) are found throughout project districts, except in the Mid and Far Western districts, where the Magars are found in Jajarkot District (8.7%), only one of five project districts in the geographical region. In the Karnali region, two out of project five districts do not have a significant population of DAG, whereas in the Western and Central and Eastern Regions, all project districts have significant percentages of DAG populations. Annex 1 provides coverage of all ethnic groups in project districts, even where they constitute smaller percentages of the district populations. The general trend described above in para 31 applies even when the ethnic distribution in project districts is shown in its totality, i.e., showing all ethnic groups, even those with very small populations.

**Table 3: The Four Major Ethnic (including IPs) Populations in each Project District  
(Percent of Total District Population)**

#	DISTRICT	Non-Indigenous People			Indigenous People							Dalit (DAG)
					Marginalized Group	Disadvantaged Group (DAG)					Advanced Group	
		Brahman (hill)	Chhetri	Thakuri	Tamang	Gurung	Magar	Limbu	Rai	Sherpa	Newar	Kami/Sarki
<b>CENTRAL AND EASTERN</b>												
1	Taplejung	10.4	11.9				41.8		9.3			
2	Ramechhap		26.4		20.6	10.9				14.1		
3	Solukhumbu		15.2		9.4			31.5	10.3			
4	Okhaldhunga	11.9	24.6				10.4	11.9				
<b>WESTERN</b>												
5	Baglung	22.1	19.3				27.7				13.1	
6	Gorkha	18.0	12.1			22.3	11.3					
7	Lamjung	14.9	15.8			31.7					7.4	
8	Myagdi	7.8	16.5				41.8				13.3	
<b>KARNALI</b>												
9	Dolpa		43.9			22.6	13.1				5.8	
10	Humla	6.3	43.8	19.6			14.0				21.6	
11	Jumla	9.5	63.1	5.7							6.5	
12	Kalikot	27.5	15.1	21.7								
13	Mugu	4.3	44.3	17.0					10.2			
<b>MID AND FAR WESTERN</b>												
14	Jajarkot		38.4	17.0			8.7				19.7	
15	Baitadi	20.2	56.3								6.1	
16	Bajhang	10.8	63.9	5.6							7.9	
17	Bajura	6.9	55.5	6.4							9.4	
18	Darchula	18.5	59.2	6.6							5.3	

Source: Social Composition of the Population: Caste Ethnicity and Religion in Nepal, "Population Monograph of Nepal" Volume 1 (CBS, 2003).

#### **IV. SOCIAL IMPACT ASSESSMENT AND IPP FOR SUBPROJECTS AND/OR COMPONENTS**

##### **A. Specific Procedures for Subproject Planning and Participation of IPs**

33. This section provides detailed procedures to be followed in screening, social impact assessment, and preparation of IPs plans for additional subprojects. It will be ensured that indigenous people are informed, consulted and participated in the entire subproject cycle, in a meaningful and culturally appropriate manner.

34. The Project will inform, consult with IPs to involve them in all Project activities. Their participation in the Project will allow a better understanding of their needs and to identify measures to mitigate any adverse impacts due to the Project. The IPP will consist of the following:

- (i) Preliminary Screening;
- (ii) Social Impact Assessment;
- (iii) Mitigation Measures;
- (iv) Development Assistance; and
- (v) Project Monitoring

##### **1. Screening**

35. Initial screening of subproject impacts on IPs will be conducted as early as possible in the subproject cycle to categorize the impacts and identify subsequent approaches and resource requirements to address IPs issues with due consultation with NFIN's district representatives and District Coordination Committee of Janajati at District Development Committees (DDC). A thorough screening will be conducted during Initial Poverty and Social Assessment (IPSA) as part of subproject (pre)feasibility study. The District Project Offices (DPO) with support of the District Implementation Support Consultant (DISC) will identify IPs community belonging to the 24 IPs groups, their population (number and ratio), and their characteristics as compared to the main population in the subproject zone of influence through primary and secondary data information collection. Janajati Empowerment Project Report, District Development Profile, village development committees (VDC) and Ward level information will be consulted and meetings with leaders and nongovernment organizations (NGO)/ community-based organizations (CBO) representing causes of IPs will be held to assess the population size of IPs, the sub-category within them, and the likely impact of the subproject on each sub-groups. The IPSA will be carried out in accordance with ADB's Handbook on Poverty and Social Assessment, particularly the Appendix 7 on Indigenous Peoples.<sup>7</sup>

36. The concerned officials of the DDC and DISC team will visit the Project area, especially IPs settlements, to know likely impacts due to the Project. Public meetings will be arranged with the local leaders to disseminate Project information and to have feedback from them. The details of the IPs community, including total number of HHs, population, and likely loss of assets, will be gathered.

37. Subprojects will be categorized according to the level of impacts on IPs. The level of impacts will be determined by the type, location, scale, nature, magnitude of potential impacts on IPs. The subproject will fall to one of the following categories:

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<sup>7</sup> Refer to [http://www.adb.org/Documents/Handbooks/Poverty\\_Social/appendix7.pdf](http://www.adb.org/Documents/Handbooks/Poverty_Social/appendix7.pdf)

- (i) Category A: subprojects expected to have significant impacts that require IPP;
- (ii) Category B: subprojects expected to have limited impacts that require specific action for IPs in RPs and/or social action plan; and
- (iii) Category C: subprojects not expected to have impacts on IPs and therefore do not require special provision for IPs.

38. The impacts on IPs will be considered significant if the project positively or negatively: (i) affect their customary rights of use and access to land and natural resources; (ii) change their socio-economic status; (iii) affect their cultural and communal integrity; (iv) affect their health, education, livelihood and social security status; and/or (v) alter or undermine the recognition of indigenous knowledge.

39. The screening and categorization will be initiated by DDC/District Technical Office (DTO)/DPO, supported by the District Implementation Support Team (DIST)/DISC Social Development Specialist, and reviewed and confirmed by the Project Coordination Unit (PCU). Once finalized, the IP SA report and categorization form will be included in subproject feasibility/design report to be submitted to ADB. The Subproject Impact Categorization Form is attached.

## **2. Social Impact Assessment and Preparation of IPPs**

### **a. Conducting Social Impact Assessment (SIA)**

40. An SIA will be undertaken in the Project affected area. For the SIA study, demography, socio-economic status, social cultural situation, likely impact on the assets, and other impacts (negative and positive) will be collected. In addition, separate group meetings will be organized with IPs community leaders, as well as separately for men and women. Discussion will be focused on the positive and negative impacts of the Project, a needs assessment, and local expectations of the Project. If the SIA identifies significant Project negative impacts on IPs, an IPP will be prepared to address the impacts and distribution of Project benefits and measures to promote the socio-economic development of the IPs.

41. The DDC/DTO/DPO will undertake an SIA as part of the detailed feasibility/design of the subproject. The SIA will gather relevant information on demographic data; social, cultural and economic situation; and social, cultural and economic impacts. The information will be gathered through separate group meetings within the IPs community, including their leaders, NGOs, CBOs, and affected persons. Discussions will focus on potential positive and negative impacts of the subproject; measures to enhancing positive impacts; and strategies/options to minimize and/or mitigate negative impacts.

### **b. Preparation of IPPs**

42. Based on the SIA, the project will develop appropriate mitigation measures and livelihood enhancement activities for IPs. In case of limited impacts, specific actions for IPs will be spelled out in RP and/or social action plan for the subproject. If SIA identifies the project will have significant differential impact compared to the mainstream population, an IPP will be prepared to enhance distribution of project benefits and promote the development of IPs.

43. The basic objective of the IPP is to ensure that these communities receive benefits from the project that are at least par or better than those received by other people in the community. If the tribal communities lose land, structures, or other assets, the project will ensure that they



will be properly compensated. The compensation measures will be mentioned in the IPPF prepared for the Project.

44. The IPP will consist of a number of activities and include mitigation measures of the potential negative impacts through modification of project design and development assistance to enhance distribution of project benefits. Where there is land acquisition or structural losses in the ethnic/indigenous communities, the Project will ensure that their rights will not be violated and that they be compensated for the use of any part of their land in a manner that is culturally acceptable to them. The compensation measures will follow the Resettlement Framework (RF) of the Project.

45. An IPP will address the (i) aspirations, needs, and preferred options of the affected IPs; (ii) local social organization, cultural beliefs, ancestral territory, and resource use patterns among the affected IPs; (iii) potential positive and negative impacts on IPs; (iv) measures to avoid, mitigate, or compensate for the adverse project effects; (v) measures to ensure project benefits will accrue to IPs; (vi) measures to strengthen DDC/DTO capacity to address IPs issues; (vii) the possibility of involving local organizations and NGOs with expertise in IPs issues; (viii) budget allocation; and (ix) monitoring. The PCU will submit the IPP to ADB for review and approval prior to commencement of civil works. ADB will review and send comments within three weeks.

### **c. Involvement of NGOs**

46. A local NGO (including local indigenous people as staff) will be appointed and will play an intermediary role in the community. IPs community participation is very important in developing, implementing, and monitoring the Project's planned activities, for reducing poverty and improving access to economic and social services as well as increasing the social and financial capital in the Project area.

47. The NGO will facilitate the community and mobilize them in various activities of the project. It will undertake various training programs associated to income generation activities by educating the IPs. The NGO will play the following role in performing the main activities:

- (i) Arranging awareness program;
- (ii) Collection of HH information to assist design;
- (iii) Conducting Focus Group Discussion (FGD) and social mapping;
- (iv) Facilitating land acquisition;
- (v) Facilitating in the implementation of resettlement and rehabilitation plan;
- (vi) Facilitating formation of Village Work and Road Coordination Committee (VWRCC);
- (vii) Facilitating the formation of grievance resolution committee in local level;
- (viii) Conducting training program to strengthen DDC; and
- (ix) Conducting internal monitoring.

## **B. Key Positive and Negative Project Impacts on IPs**

48. Impacts on IPs, whether positive or negative, are generally not different from those on others with the same socio-economic status and land size, like Dalits or poor Chhetris, because most IPs do not have different types of livelihoods from those other groups. This has been verified by preparation of DRILP. Inclusion of IPs in the sub-projects is expected to be high, as the project targets geographically marginal rural in Western and Central and Eastern regions mountain and hill areas where IPs dominate in terms of community population. The sub-projects are also community-driven, that is, a sub-project will not be prepared unless it has been

requested by the community, and it meets screening criteria which includes a requirement that the community is able to form a community mechanism for sub-project implementation which has a fair system of grievance redressal, as well as a system for project monitoring and reporting (through the RF). Through improved connectivity, the project will improve livelihoods for all beneficiaries, including IPs.

49. IPs are not expected to be affected seriously or at all by the project whether it is through loss of livelihoods, displacement or impacts on their social and cultural identity. The feasibility study raised the following impacts that might be IPs specific, which were addressed through changes to project design or introduction of relevant safeguards.

50. All these concerns are very similar to those of non-indigenous vulnerable groups, notably Dalits, other ultra poor and to less extent women. As such the ensuing project is therefore not expected to impact IPs differently than those other vulnerable groups, and issues of gender, land acquisition and participation can be dealt with under the project Gender, RF and through extensive consultation and participation. Each subproject will be screened against the sub-project selection criteria once it is nominated by the beneficiaries themselves. This process ensures that no IPPs or specific actions will be required for any sub-project.

### **1. Possible Negative Project Impacts on IPPs**

51. The following may be the possible negative Project impacts:

- (i) Loss of land and structures;
- (ii) Loss of agricultural production;
- (iii) Displacement;
- (iv) Spread of HIV/AIDS/STDs;
- (v) Loss of livelihood; and
- (vi) Changes to subsistence levels and income generating capacity.

### **2. Possible IPP Mitigation Measures**

52. The following measures are recommended for the socio-economic development of the IPs:

- (i) Compensation for the lost assets (land, structures, business etc.) and production;
- (ii) Resettlement and Rehabilitation, if required;
- (iii) Involvement in the decision making process during project design, implementation (in each phase of the Project);
- (iv) Representation in VWRCC, Grievance Resolution Committee; and
- (v) Specific program to the most vulnerable IPs living in the Project areas:
  - a. Priority in the construction employment;
  - b. Preference of employment in the governmental and NGOs based on their qualifications;
  - c. Training programs and skill development schemes for income generation;
  - d. Support for agriculture extension, livestock rearing, cottage industries;
  - e. Credit capital at low rate of interest for entrepreneurial activities; and
  - f. Preservation of social, religious, and cultural heritage.

53. One IPP possibility will be addressing the difficulty for the local people to get access to credit facilities for new economic initiatives. This will be addressed by allocating some small proportion of Project funds to providing "seed money" on credit at concessional terms. When repaid, such funds will then be recycled within the district for additional such initiatives. This

revolving fund mechanism can best be managed by the district administration, possibly in conjunction with an appropriate NGO in each of the 18 districts. Within an IPP, the IPs will be given priority access to such Project funds.

54. Similarly, IPPs may provide priority access for targeted IPs groups to SIS that are small community infrastructure such as water supply, irrigation, micro-hydro power schemes, community/market buildings, health sub-posts, primary schools etc. A number of capacity building activities will enhance skills. Together, these initiatives will provide at local level employment opportunities, empower rural communities for development, increase institutional capacity and improve accountability and transparency. The SIS will enhance the impact of improved access on rural livelihoods and help in mitigating any negative impacts identified for IPs communities. These may be funded from existing Project funds.

## **V. CONSULTATION AND PARTICIPATION**

55. The PCU of the Department of Local Infrastructure and Agricultural Roads (DOLIDAR), which is the Executing Agency along with the DDCs (who are the Implementing Agencies - IAs), will be responsible for the implementation of the Project. It will coordinate all activities related to resettlement and IPs' issues. The IA will hire local and experienced NGOs to assist in planning and implementation of the IPP.

56. The IPP will be prepared in consultation with the affected IPs groups. The issues and measures will be disclosed during the local level workshop to get their feedback and to make the IPP more pragmatic.

57. The existing indigenous people's institution and other organizations will be involved in the implementation of IPP. This will help in resolution of the dispute or grievances arise during the implementation. The IA will ensure that there will be sufficient budget available for the implementation of the IPP.

58. The consultation with and participation of IPs will be ensured in formulation of subproject to ensure that it adequately deal with their needs, priorities, and preference. The IPs will be provided relevant project information in language(s) and manner suitable to them. A separate FGD will be held with IPs to assess the project impacts and benefits to these groups. Accordingly, the project plans, including IPPs, will be prepared in consultation with IPs. Outcome of social assessment and programs/measures for IPs will be presented in community workshops/meetings.

## **VI. DISCLOSURE**

59. The DDC/DTO/DPO shall make available the following documents to the project affected indigenous peoples and disclose to the public:

- (i) A draft IPP, before subproject appraisal;
- (ii) A final IPP, after completion of such an IPP; and
- (iii) The revised IPP, following the detailed technical design or change in scope in the subproject.

60. The information from the documents specified above will be made available to affected persons as leaflets in Nepali and, as feasible, in the local IPs language. DOLIDAR shall also post the above documents on its website. During implementation, DPO will prepare social

monitoring reports, make them available to affected IPs, post them on its website, and submit these to ADB for review.

## **VII. GRIEVANCE REDRESS MECHANISM**

61. The IPs Grievance Redress Mechanism will be the same as set out in the RF. The Project has set a Grievance Redress Committee at the district and Grievance Redress sub-committee at VDC to hear complaints. The Grievance Redress Committee at district level will be established under the chairmanship of DDC head; other members of the committee will be the representatives of affected families (including Building Group member); representative from VDC; village elders or local level representatives of mass organizations; or, as applicable, relevant IPs, NGOs, and agencies; the Project manager, Social mobilization coordinator.

62. As indicated above, the existing indigenous people's institution and other organizations will be involved in the planning and implementation of any required IPP. This will help in resolution of the dispute or grievances arise during the implementation. The IA will ensure that there will be sufficient budget available for the implementation of any required IPP.

63. The affected persons (APs), including IPs, may submit their concerns or grievances verbally or in writing to this Committee. All complaints/grievances will be documented properly by the Committee. The Committee shall make field-based assessment to verify/examine the grievances, if necessary. After proper examination/verification of the grievances, the Committee shall facilitate DDC, displaced persons, and other concerned parties to agree on a time-bound action plan to resolve the grievance if found to be genuine.

64. The VWRCC will also help to solve the local problems. A villager can approach the VWRCC with an individual problem or complaint which is then discussed locally with the aim to settle the issues at local level. Each VWRCC has its sub-committees in each VDC comprising five members, including APs, to hear complaints and grievances at the VDC level. The Committee comprises three members from VWRCC and two representatives from among the displaced persons.

65. Because marginal or disadvantaged IPs, low caste and very poor tend not to complain to the official hierarchy, the presence of Project social mobilizers will facilitate access to the official system for the poor, low caste and disadvantaged and have the effect of making the process more transparent. Social mobilizers will also enable greater and fairer negotiations with the project over minor compensation arrangements.

## **VIII. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS**

66. A Social Development Specialist will be placed in the Central Implementation Support Consultant and if required a Social Development Officer will be placed in the DISC to support PCU and DPO to implement IPP activities. The social mobilization team at the DIST level will assist in the planning and implementation of IPP.

## **IX. MONITORING AND REPORTING ARRANGEMENTS**

67. Both internal and external monitoring will be done during the implementation of IPP. The Project staff, NGOs, affected IPs groups and Dalits related local organizations will be involved in the monitoring system. A set of monitoring indicators will be established to know the

implementation status of the IPP. An independent external agency will carry out the monitoring of IPP implementation.

68. The PCU will establish a semi-annual monitoring system to monitor the implementation of the IPP. A set of monitoring indicators will be determined during IPP preparation. A survey of existing socio-economic status and cultural practices of IPs/Dalits, which will be carried out during subproject feasibility study/design, will be the basis for establishing the baseline data to monitor the project impacts on IPs. The IPP will also specify the system to collect data and monitor the changes and will include TOR for monitoring agency/consultant. The PCU will prepare semi-annual monitoring reports, post them on its DOLIDAR's website, and submit to ADB for its review.

## **X. BUDGET AND FINANCING**

69. All the costs required to implement the IPPs will be incorporated in the Project cost under the Community Development and Rural Livelihood Restoration Component, along with the Social Action Plan (SAP). The IPP/SAP will include detailed cost estimate and indicate source of funds for the required activities. While the administrative costs for surveys, social assessment, and preparation of the IPP will be financed under Project Management Services, the program cost will be financed from the Community Development and Rural Livelihood Restoration Project component.

## OVERALL ETHNIC DISTRIBUTION IN PROJECT DISTRICTS

1. The following table, based on the 2001 Census,<sup>1</sup> summarizes ethnic distribution in the 18 subprojects. There are larger numbers of identified ethnic groups in the (a) Central and Eastern Districts than in the (b) Western, Karnali, and Mid and Far Western Districts; 12-14 identified groups in the former (a) and 8 in the latter (b) districts. The data is based on an Intensive Study and Research Centre (ISRC) summary of the Census 2001,<sup>2</sup> so it's likely that the 2001 Census data identified more Ethnic Groups than shown here.

2. In Karnali Districts (the mountain districts such as Dolpa, Jumla, Kalikot and Mugu), as many as 90% of the population is not identified, and in Kalikot groups are not categorized. Dalits, such as the Kami who are the most populous Dalit group, are a small minority in most Project districts, but in Myagdi and Jajarkot, Kami are as much as 13 and 20% of the district population respectively.

3. IPs are the majority the Central and Eastern project districts of Taplejung (Limbu, 41.75%), Solukhumbu (Rai, 31.49% along with Sherpa, 18.30%), and Western project districts, Baglung (Magar 27.72%), Gorkha (Gurung 22.30%), Lamjung (Gurung 31.69%), and Myagdi (Magar 41.78%). In Karnali and further westward, it is 'Caste' people who are the district majorities.

**Table A1.1: Ethnic Distribution in Project Districts by Population and Percent**

No.	Caste/Ethnic Group	Population	Percent
	<b>CENTRAL AND EASTERN</b>		
<b>(1)</b>	<b>Taplejung (Mountain)</b>		
1	Limbu	56,234	41.75
2	Chetri	15,982	11.87
3	Brahmin (Hill)	13,974	10.37
4	Sherpa	12,585	9.34
5	Rai	6,779	5.03
6	Gurung	6,077	4.51
7	Kami	5,949	4.42
8	Tamang	5,530	4.11
9	Newar	2,242	1.66
10	Dhamai/Kami	2,115	1.57
11	Sunuwar	1,303	0.97
12	Magar	1,151	0.85
13	Other	4,777	3.55
	<b>Subtotal</b>	<b>134,698</b>	<b>100.00</b>
<b>(2)</b>	<b>Ramechhap (Hill)</b>		
1	Chetri	56,155	26.44
2	Tamang	43,669	20.56
3	Newar	29,931	14.09

<sup>1</sup> Central Bureau of Statistics. 2002. Ramshah Path, Kathmandu, Nepal: *Statistical Pocket Book Nepal*.

<sup>2</sup> ISRC. 2010. *District and VDC Profile of Nepal (A Socio-Economic Development Database of Nepal)*. Kathmandu: Intensive Study and Research Centre (ISRC). Based on 2001 Census.

No.	Caste/Ethnic Group	Population	Percent
4	Magar	23,205	10.92
5	Brahmin (Hill)	11,969	5.63
6	Sunuwar	8,860	4.17
7	Kami	6,434	3.03
8	Sarki	5,597	2.64
9	Majhi	5,512	2.60
10	Sherpa	4,669	2.20
11	Damai/Dholi	3,993	1.88
12	Gharti/Bhujel	2,988	1.41
13	Other	9,426	4.43
	<b>Subtotal</b>	<b>212,408</b>	<b>100.00</b>
<b>(3)</b>	<b>Solukhumbu (Mountain)</b>		
1	Rai	33,905	31.49
2	Sherpa	19,706	18.30
3	Chetri	16,366	15.20
4	Tamang	10,153	9.43
5	Kami	5,745	5.33
6	Brahmin (Hill)	5,519	5.13
7	Magar	4,950	4.60
8	Newar	2,732	2.54
9	Damai	1,727	1.60
10	Ghartil/Bhujel	1,630	1.51
11	Gurung	1,155	1.07
12	Unidentified Caste	1,100	1.02
13	Other	2,998	2.78
	<b>Subtotal</b>	<b>107,686</b>	<b>100.00</b>
<b>(4)</b>	<b>Okhaldhunga (Hill)</b>		-
1	Chetri	38,488	24.56
2	Rai	18,701	11.93
5	Brahmin (Hill)	18,623	11.88
6	Magar	16,252	10.37
7	Tamang	14,371	9.17
8	Newar	10,046	6.41
9	Sherpa	9,443	6.03
10	Kami	5,986	3.82
11	Sunuwar	5,598	3.57
12	Damai/Dholi	4,466	2.85
13	Sarki	3,714	2.37
14	Gharti/Bhujel	3,260	2.08
15	Other	7,754	4.96
	<b>Subtotal</b>	<b>156,702</b>	<b>100.00</b>
	<b>WESTERN</b>		

No.	Caste/Ethnic Group	Population	Percent
<b>(5)</b>	<b>Baglung (Hill)</b>		
1	Magar	74,550	27.72
2	Brahmin (Hill)	59,532	22.14
3	Chetri	51,871	19.29
4	Kami	35,150	13.07
5	Sarki	11,699	4.35
6	Damai/Dholi	10,623	3.95
7	Thakuri	4,117	1.53
8	Chhantel	4,047	1.50
9	Other	17,348	6.45
	<b>Subtotal</b>	<b>268,937</b>	<b>100.00</b>
<b>(6)</b>	<b>Gorkha (Hill)</b>		
1	Gurung	64,240	22.30
2	Brahmin (Hill)	51,691	17.94
3	Chetri	34,833	12.09
4	Magar	32,678	11.34
5	Newar	23,375	8.11
6	Sarki	16,781	5.82
7	Kami	13,431	4.66
8	Tamang	9,184	3.19
9	Other	41,921	14.55
	<b>Subtotal</b>	<b>288,134</b>	<b>100.00</b>
<b>(7)</b>	<b>Lamjung (Hill)</b>		
1	Gurung	56,140	31.69
2	Chetri	28,051	15.83
3	Brahmin (Hill)	26,355	14.88
4	Kami	13,159	7.43
5	Tamang	11,919	6.73
6	Sarki	6,861	3.87
7	Newar	6,739	3.80
8	Damai/Dholi	6,021	3.40
9	Other	21,904	12.37
	<b>Subtotal</b>	<b>177,149</b>	<b>100.00</b>
<b>(8)</b>	<b>Myagdi (Hill)</b>		
1	Magar	47,820	41.78
2	Chetri	18,846	16.47
3	Kami	15,273	13.35
4	Brahmin (Hill)	8,945	7.82
5	Damai/Dholi	5,180	4.53
6	Chhantel	4,462	3.90
7	Sarki	3,222	2.82
8	Thakuri	2,289	2.00



No.	Caste/Ethnic Group	Population	Percent
9	Other	8,410	7.33
	<b>Subtotal</b>	<b>114,447</b>	<b>100.00</b>
	<b>KARNALI</b>		
<b>(9)</b>	<b>Dolpa (Mountain)</b>		
1	Chetri	9,687	32.79
2	Gurung	4,993	16.90
3	Magar	2,902	9.82
4	Kami	1,288	4.36
5	Thakuri	822	2.78
6	Brahmin (Hill)	579	1.96
7	Sherpa	480	1.62
8	Tamang	237	0.80
9	Other	8,557	28.97
	<b>Subtotal</b>	<b>29,545</b>	<b>100.00</b>
<b>(10)</b>	<b>Humla (Mountain)</b>		
1	Chetri	17,781	43.80
2	Thakuri	7,955	19.60
3	Sherpa	5,666	13.96
4	Brahmin (Hill)	2,547	6.27
5	Kami	2,008	4.95
6	Unidentified Dalit	1,414	3.48
7	Damai/Dholi	1,104	2.72
8	Bhote	574	1.41
9	Other	1,546	3.81
	<b>Subtotal</b>	<b>40,595</b>	<b>100.00</b>
<b>(11)</b>	<b>Jumla (Mountain)</b>		
1	Chetri	43,697	48.86
2	Brahmin (Hill)	6,601	7.38
3	Sarki	4,470	5.00
4	Thakuri	3,924	4.39
5	Kami	3,589	4.01
6	Damai/Dholi	1,442	1.61
7	Unidentified Dalit	1,297	1.45
8	Sonar	1,080	1.21
9	Other	23,327	26.09
	<b>Subtotal</b>	<b>89,427</b>	<b>100.00</b>
<b>(12)</b>	<b>Kalikot (Mountain)</b>		
1	Brahmin (Hill)	3,164	3.00
2	Thakuri	2,500	2.37
3	Kami	2,485	2.35
4	Chetri	1,743	1.55
5	Other	95,688	90.73

No.	Caste/Ethnic Group	Population	Percent
	<b>Subtotal</b>	<b>105,580</b>	<b>100.00</b>
<b>(13)</b>	<b>Mugu (Mountain)</b>		
1	Chetri	13,939	31.72
2	Thakuri	5,348	12.17
3	Unidentified Dalit	5,129	11.67
4	Sherpa	3,188	7.26
5	Brahmin (Hill)	1,367	3.11
6	Tamang	991	2.26
7	Kami	934	2.13
8	Sanyasi	166	0.38
9	Other	12,875	29.3
	<b>Subtotal</b>	<b>43,937</b>	<b>100.00</b>
	<b>MID AND FAR WESTERN</b>		
<b>(14)</b>	<b>Jajarkot (Hill)</b>		
1	Chetri	51,847	38.44
2	Kami	26,603	19.73
3	Thakuri	22,928	17.00
4	Magar	11,721	8.69
5	Brahmin (Hill)	6,850	5.08
6	Damai/Dholi	5,184	3.84
7	Sanyasi	2,453	1.82
8	Sarki	1,795	1.33
9	Other	5,517	4.07
	<b>Subtotal</b>	<b>134,898</b>	<b>100.00</b>
<b>(15)</b>	<b>Baitadi (Hill)</b>		
1	Chetri	112,794	48.12
2	Brahmin (Hill)	44,350	18.92
3	Thakuri	19,284	8.23
4	Kami	14,360	6.13
5	Lohar	10,821	4.62
6	Sarki	7,436	3.17
7	Unidentified Caste	4,463	1.90
8	Unidentified Dalit	3,872	1.65
9	Other	17,038	7.26
	<b>Subtotal</b>	<b>234,418</b>	<b>100</b>
<b>(16)</b>	<b>Bajhang (Mountain)</b>		
1	Chetri	106,775	63.93
2	Brahmin (Hill)	18,010	10.78
3	Kami	13,201	7.90
4	Thakuri	9,376	5.61
5	Sarki	4,630	2.77
6	Damai/Dholi	3,637	2.18

<b>No.</b>	<b>Caste/Ethnic Group</b>	<b>Population</b>	<b>Percent</b>
7	Unidentified Dalit	3,440	2.06
8	Sanyasi	2,180	1.31
9	Other	5,777	3.46
	<b><i>Subtotal</i></b>	<b>167,026</b>	<b>100.00</b>
<b>(17)</b>	<b>Bajura (Mountain)</b>		
1	Chetri	55,887	51.38
2	Kami	9,498	8.73
3	Brahmin (Hill)	6,936	6.38
4	Thakuri	6,451	5.93
5	Damai/Dholi	4,024	3.70
6	Unidentified Dalit	3,963	3.64
7	Sarki	3,557	3.27
8	Sanyasi	2,966	2.74
9	Other	15,499	14.23
	<b><i>Subtotal</i></b>	<b>108,781</b>	<b>100.00</b>
<b>(18)</b>	<b>Darchula (Mountain)</b>		
1	Chetri	73,254	60.05
2	Brahmin (Hill)	22,531	18.47
3	Thakuri	8,048	6.60
4	Kami	6,449	5.29
5	Lohar	2,666	2.19
6	Sarki	2,194	1.80
7	Sanyasi	1,864	1.53
8	Byangshi	946	0.78
9	Other	4,044	3.29
	<b><i>Subtotal</i></b>	<b>121,996</b>	<b>100.00</b>

## GENERAL INDIGENOUS PEOPLES BACKGROUND IN NEPAL

1. Nepali or Nepalese are descendants of migrants from parts of earlier Greater Nepal, Tibet, India, and parts of Burma and Yunnan, along with native tribal population. Among the earliest inhabitants were the Kirat of east mid-region, Newar of the Kathmandu Valley, and aboriginal Tharu in the malarial southern Terai region. The ancestors of the Khas (Bahun, Chetri, Thakuri, Sanyasi, and Dalit) migrated eastward along the Himalayan foothills out of Kashmir, Kumaon, Garhwal, parts of the then Greater Nepal, Karnali Pradesh (Nepal) and perhaps also north from the Gangeatic Plains during invasions. Other ethnic groups trace their origins to North Burma, Yunnan, and Tibet, for example the Gurung and Magar in the west, Rai and Limbu in the east, and Sherpa and Tamang in the north.

2. In the Terai, a part of the Ganges Basin with 20% of the land, much of the population is physically and culturally similar to the Indo-Aryans of northern India. Indo-Aryan and East Asian looking mixed people live in the hill region. The mountainous region is sparsely populated above 3,000 meters, but in central and western Nepal ethnic Tibetans inhabit even higher semi-arid valleys north of the high Himalaya. Kathmandu Valley, in the middle hill region, constitutes a small fraction of the nation's area but is the most densely populated, with almost 5 % of the nation's population. Nepal is a multilingual, multi-religious and multiethnic society.<sup>1</sup>

3. Religion is important in Nepal; the Kathmandu Valley alone has more than 2,700 religious shrines. The constitution of Nepal describes the country as a "Hindu kingdom", although it does not establish Hinduism as the state religion. Nepal's constitution continues long-standing legal provisions prohibiting discrimination against other religions (but also prohibiting seeking new converts). The king was deified as the earthly manifestation of the Hindu god Vishnu. Then, on 19 May 2006, the government facing a constitutional crisis, the House of Representatives which had been just reformed, having been previously dissolved, declared Nepal a "secular state".

### A. General Ethnicity in Nepal

4. The major caste/ethnic groups identified by the 2001 census are Khas (Kshatriya or Chetri (15.8%) along with 1.47% Thakuri/Chetri, Brahmin or Bahun (12.7%) in the hills (both Caucasian, counted separately from the same castes in the Terai)), Magar (7.1%), Tharu (6.8%), Tamang (5.6%), Newar (5.5%), Muslim (4.3%), Kami (3.9%), Rai (2.7%), Gurung (2.5%), and Damai/Dholi (2.4%). The remaining 92 caste/ethnic groups (including the world-famous Sherpa) each constitute less than 2% of the population. The following table is based on endogamous ethnicity, some 102 classifications, not linguistic ethnic groups.

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<sup>1</sup> [http://en.wikipedia.org/wiki/Demographics\\_of\\_Nepal](http://en.wikipedia.org/wiki/Demographics_of_Nepal)

**Table A2.1: Population and Percentage of Endogamous Ethnicity of Nepal's Total Population**

<b>No.</b>	<b>Caste/Ethnic Group</b>	<b>Population</b>	<b>% of Total</b>
1	<u>Khas Kshatriya/Chetri</u>	3,593,496	15.80
2	<u>Khas Brahmin/Bahun</u>	2,896,477	12.74
3	<u>Magar</u>	1,622,421	7.14
4	<u>Tharu</u>	1,533,879	6.75
5	<u>Tamang</u>	1,282,304	5.64
6	<u>Newar</u>	1,245,232	5.48
7	<u>Muslim</u>	971,056	4.27
8	<u>Kami</u>	895,954	3.94
9	<u>Yadav</u>	895,423	3.94
10	<u>Rai</u>	635,151	2.79
11	<u>Gurung</u>	686,000	2.39
12	<u>Damai/Dholi</u>	390,305	1.72
13	<u>Limbu</u>	359,379	1.58
14	<u>Khas - Thakuri/Chetri</u>	334,120	1.47
15	<u>Sarki</u>	318,989	1.40
16	<u>Teli</u>	304,536	1.34
17	<u>Chamar, Harijan, Ram</u>	269,661	1.19
18	<u>Koiri</u>	251,274	1.11
19	<u>Kurmi</u>	212,842	0.94
20	<u>Khas-Sanyasi</u>	199,127	0.88
21	<u>Dhanuk</u>	188,150	0.83
22	<u>Musahar</u>	172,434	0.76
23	<u>Dusad/Paswan/Pasi</u>	158,525	0.70
24	<u>Sherpa</u>	154,622	0.68
25	<u>Sonar</u>	145,088	0.64
26	<u>Kewat</u>	136,953	0.60
27	<u>Terai-Brahmin</u>	134,496	0.59
28	<u>Baniya</u>	126,971	0.56
29	<u>Gharti/Bhujel</u>	117,568	0.52
30	<u>Mallah</u>	115,986	0.51
31	<u>Kalwar</u>	115,606	0.51
32	<u>Kumal</u>	99,389	0.44
33	<u>Hajam/Thakur</u>	98,169	0.43
34	<u>Kanu</u>	95,826	0.42

No.	Caste/Ethnic Group	Population	% of Total
35	<u>Rajbansi</u>	95,812	0.42
36	<u>Sunuwar</u>	95,254	0.42
37	<u>Sudhi</u>	89,846	0.40
38	<u>Lohar</u>	82,637	0.36
39	<u>Tatma</u>	76,512	0.34
40	<u>Khatwe</u>	74,972	0.33
41	<u>Dhobi</u>	73,413	0.32
42	<u>Majhi</u>	72,614	0.32
43	<u>Nuniya</u>	66,873	0.29
44	<u>Kumhar</u>	54,413	0.24
45	<u>Danuwar</u>	53,229	0.23
46	<u>Chepang</u>	52,237	0.23
47	<u>Haluwai</u>	50,583	0.22
48	<u>Rajput</u>	48,454	0.21
49	<u>Kayastha</u>	46,071	0.20
50	<u>Budhae</u>	45,975	0.20
51	<u>Marwadi</u>	43,971	0.19
52	<u>Santhal/Satar</u>	42,698	0.19
53	<u>Dhagar/Jhagar</u>	41,764	0.18
54	<u>Bantar</u>	35,839	0.16
55	<u>Barae</u>	35,434	0.16
56	<u>Kahar</u>	34,531	0.15
57	<u>Gangai</u>	31,318	0.14
58	<u>Lodha</u>	24,738	0.11
59	<u>Rajbhar</u>	24,263	0.11
60	<u>Thami</u>	22,999	0.10
61	<u>Dhimal</u>	19,537	0.09
62	<u>Bhote</u>	19,261	0.08
63	<u>Bing/Binda</u>	18,720	0.08
64	<u>Bhediyar/Gaderi</u>	17,729	0.08
65	<u>Nurang</u>	17,522	0.08
66	<u>Yakkha</u>	17,003	0.07
67	<u>Darai</u>	14,859	0.07
68	<u>Tajpuriya</u>	13,250	0.06
69	<u>Thakali</u>	12,973	0.06

<b>No. Caste/Ethnic Group</b>	<b>Population</b>	<b>% of Total</b>
70 <u>Chidimar</u>	12,296	0.05
71 <u>Pahari</u> (excl. Khas?)	11,505	0.05
72 <u>Mali</u>	11,390	0.05
73 <u>Bangali</u>	9,860	0.04
74 <u>Chhantyal</u>	9,814	0.04
75 <u>Dom</u>	8,931	0.04
76 <u>Kamar</u>	8,761	0.04
77 <u>Bote</u>	7,969	0.04
78 <u>Brahmu/Baramu</u>	7,383	0.03
79 <u>Gaine/Gandarbha</u>	5,887	0.03
80 <u>Jirel</u>	5,316	0.02
81 <u>Adivasi/Janajati</u>	5,259	0.02
82 <u>Duga</u>	5,169	0.02
83 <u>Churaute</u>	4,893	0.02
84 <u>Badi</u>	4,442	0.02
85 <u>Meche</u>	3,763	0.02
86 <u>Lepcha</u>	3,660	0.02
87 <u>Halkhor</u>	3,621	0.02
88 <u>Punjabi/Sikh</u>	3,054	0.01
89 <u>Kisan</u>	2,876	0.01
90 <u>Raji</u>	2,399	0.01
91 <u>Byangsi</u>	2,103	0.01
92 <u>Hayu</u>	1,821	0.01
93 <u>Koche</u>	1,429	0.01
94 <u>Dhunia</u>	1,231	0.01
95 <u>Walung</u>	1,148	0.01
96 <u>Jaine</u>	1,015	0.00
97 <u>Munda</u>	660	0.00
98 <u>Raute</u>	658	0.00
99 <u>Yehlmo</u>	579	0.00
100 <u>Patharkata/Kuswadiya</u>	552	0.00
101 <u>Kusunda</u>	164	0.00
102 <u>Khas - Dalit/Unidentified</u>	173,401	0.76
103 Unidentified Caste/Ethnicity	231,641	1.02
<b>TOTAL</b>	<b>22,736,934</b>	<b>100.00</b>

## **B. Ethnic and Regional Equity in Nepal**

5. Hill Hindus of the Khas tribe (Brahman and Chetri castes – B/C) and the Newar ethnicity dominated the civil service, the judiciary and upper ranks of the army throughout the Shah regime 1768-2008. Nepali was the national language and Sanskrit became a required school subject. Children who spoke Nepali natively and who were exposed to Sanskrit had much better chances of passing the national examinations at the end of high school, which meant they had better employment prospects and could continue into higher education. Children who natively spoke local languages of the Terai and Hills, or Tibetan dialects prevailing in the high mountains were at a considerable disadvantage. This history of exclusion coupled with poor prospects for improvement created grievances that left ethnic communities such as Tharu in the Terai and Kham Magar in the mid-western hills receptive to recruitment as foot soldiers for the Maoist opposition in the Nepalese civil conflict. The negotiated end to this war forced King Gyanendra to abdicate in 2008. Issues of ethnic and regional equity have tended to dominate the agenda of the new republican government and continue to be divisive.



## **OUTLINE OF AN INDIGENOUS PEOPLES PLAN (FROM ADB'S SAFEGUARDS POLICY STATEMENT)**

1. This outline is part of the Safeguard Requirements 3. An Indigenous Peoples Plan (IPP) is required for all projects with impacts on Indigenous Peoples (IPs). Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on IPs. The substantive aspects of this outline will guide the preparation of IPPs, although not necessarily in the order shown.

### **A. Executive Summary of the IPP**

2. This section concisely describes the critical facts, significant findings, and recommended actions.

### **B. Description of the Project**

3. This section provides a general description of the project; discusses project components and activities that may bring impacts on IPs; and identify project area.

### **C. Social Impact Assessment**

4. This section:

- (i) reviews the legal and institutional framework applicable to IPs in project context;
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected IPs communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend;
- (iii) identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with IPs at each stage of project preparation and implementation, taking the review and baseline information into account;
- (iv) assesses, based on meaningful consultation with the affected IPs communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected IPs communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live;
- (v) includes a gender-sensitive assessment of the affected IPs' perceptions about the project and its impact on their social, economic, and cultural status; and
- (vi) identifies and recommends, based on meaningful consultation with the affected IPs communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

#### **D. Information Disclosure, Consultation and Participation**

5. This section:

- (i) describes the information disclosure, consultation and participation process with the affected IPs communities that was carried out during project preparation;
- (ii) summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
- (iii) in the case of project activities requiring broad community support, documents the process and outcome of consultations with affected IPs communities and any agreement resulting from such consultations for the project activities and safeguard measures addressing the impacts of such activities;
- (iv) describes consultation and participation mechanisms to be used during implementation to ensure IPs participation during implementation; and
- (v) confirms disclosure of the draft and final IPP to the affected IPs communities.

#### **E. Beneficial Measures**

6. This section specifies the measures to ensure that the IPs receive social and economic benefits that are culturally appropriate, and gender responsive.

#### **F. Mitigation Measures**

7. This section specifies the measures to avoid adverse impacts on IPs; and where the avoidance is impossible, specifies the measures to minimize, mitigate, and compensate, for identified unavoidable adverse impacts for each affected IPs groups.

#### **G. Capacity Building**

8. This section provides measures to strengthen the social, legal, and technical capabilities of (i) government institutions to address IPs issues in the project area; and (ii) IPs organizations in the project area to enable them to represent the affected IPs more effectively.

#### **H. Grievance Redress Mechanism**

9. This section describes the procedures to redress grievances by affected IPs communities. It also explains how the procedures are accessible to IPs and culturally appropriate and gender sensitive.

#### **I. Monitoring, Reporting and Evaluation**

10. This section describes the mechanisms and benchmarks appropriate to the project for monitoring, and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected IPs in the preparation and validation of monitoring, and evaluation reports.